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NOTICE TO READERS: Reportage on the 10th Nonaligned Movement Summit, held in Jakarta, Indonesia from 1-6 September 1992, will be published in a series of special East Asia DAILY REPORT supplements.

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Japan

Government Supports 'No-Fly' Zone Over Iraq

OW2908132092 Tokyo KYODO in English 1310 GMT 29 Aug 92

[Text] Tsuruoka, Yamagata Pref., Aug. 29 KYODO—Japan supports the enforcement of a "no-fly" zone over southern Iraq by the United States, Britain, and France to protect Shiite Muslims there, Chief Cabinet Secretary Koichi Kato said Saturday.

"We support this measure," Kato told reporters in Tsuruoka, northern Japan, adding that Japan considers it necessary to implement a relevant United Nations Security Council resolution.

Kato said Japan is "deeply concerned with the tragic situation of the Shiite residents" of the region, who allegedly are being persecuted by the Iraqi Government in Baghdad.

The three countries began enforcing the no-fly zone Thursday to stop Iraqi aircraft from bombing and strafing Shiites in Iraq's southern marshlands.

Tokyo Not To Buy Nuclear Fuel From Russia

OW0109113492 Tokyo KYODO in English 1122 GMT 1 Sep 92

[Text] Tokyo, Sept. 1 KYODO—Japan will not buy nuclear fuel directly from Russia, a senior official of the Ministry of International Trade and Industry said Tuesday [1 September].

Referring to Monday's U.S. announcement to buy highly concentrated uranium from Russia, the official said, on condition on anonymity, "Japan has enough nuclear fuel stock for atomic power generation to meet demand by 2000."

When Russia cuts its nuclear armaments by 40 percent, a surplus of nuclear fuel would meet demand in the West for one and a half years, and in Japan for 20 years, the official said.

The official said, however, there is a possibility that Japan may take part in a program, if led by Western nations in the future, to jointly buy Russian nuclear fuel for security reasons.

GATT Head Renews Proposal for Rice Tariffication

OW3108120292 Tokyo KYODO in English 1146 GMT 31 Aug 92

[Text] Tokyo, Aug. 31 KYODO—Arthur Dunkel, director general of the General Agreement on Tariffs and Trade (GATT), on Monday again urged Japan to open its rice market and accept his December proposal on comprehensive replacement of trade barriers with tariffs, government officials said.

During a meeting with Chief Cabinet Secretary Koichi Kato, Dunkel said that his proposal of tariffication without exception does not mean a call for drastic change on farm protection policies, the officials said.

Dunkel asked Japan to accept his proposal on agriculture amendments for the Uruguay Round of Multilateral Trade Talks, saying that tariffication will not immediately lead to the full removal of protective barriers, according to the officials.

In response to this, Kato reiterated Japan's position not to accept total tariffication in order to protect its ban on rice imports, but said it was essential for Japan to successfully conclude the Uruguay Round talks, including farm issues, they said.

Kato was quoted as saying, "It is difficult for Japan to accept total tariffication."

On the outlook of the long-stalled Uruguay Round, Dunkel pointed out that predictions that no progress would be made before the U.S. presidential race in November, were wrong, they said.

Dunkel hinted at the possibility that the Uruguay Round would see a final agreement by the end of this year or before the end of February, saying negotiations may move forward after a French referendum on the European Community's integration slated for September 20, the officials said.

At a meeting with Shigeru Hatakeyama, vice international trade and industry minister for international affairs, Dunkel also said the trade talks might reach a crucial stage after the September 20 French referendum on the Maastricht Treaty, a ministry official said.

Regarding the North American Free Trade Agreement, Dunkel said it will be reviewed under the GATT scheme, adding only that generally speaking, a trade bloc closed to outside nations is problematic under GATT rules, according to the official.

During a meeting with parliamentary Vice Foreign Minister Koji Kakizawa, Dunkel said that U.S.-EC discussions over farm subsidies have come close to reaching an agreement, calling on Japan for further efforts to conclude the entire round of talks, the government officials said.

Kakizawa responded, however, that it is politically difficult to accept tariffication of rice import barriers, explaining that the ruling Liberal Democratic Party does not hold a majority of seats in the House of Councillors, they said.

Dunkel also urged Agriculture, Forestry, and Fisheries Minister Masami Tanabu to accept total replacement of rice import barriers with tariffs, the officials said.

While admitting there is political difficulty in accepting comprehensive tariffication, Dunkel told Tanabu that

tariffication will mean the replacement of one protection with another, not the full removal of farm protection, they said.

Tanabu contended that it was extremely difficult to accept Dunkel's proposal under the current political situation in Japan, they said.

The farm minister called for negotiations to amend Dunkel's final proposal, stressing the need to work out a practical solution among nations that have problems with the proposal, they said.

Without directly referring to negotiations for amendments, Dunkel only explained that tariff reduction rates in his proposal are more moderate than those claimed by nations that export farm products, they said.

Hata Says Dunkel Proposal 'Unacceptable'

OW0109065592 Tokyo KYODO in English 0638 GMT 1 Sep 92

[Text] Tokyo, Sept. 1 KYODO—Finance Minister Tsutomu Hata told General Agreement on Tariffs and Trade (GATT) Chief Arthur Dunkel on Tuesday that his proposal on making a breakthrough in the stalled global farm trade negotiations is unacceptable for Japan, a Finance Ministry official said.

Hata said in a one-hour meeting with the GATT director general that while his plan proposes only limited cuts in export subsidies, it calls for a comprehensive tariffication of import barriers.

This, Hata said, is more favorable to farm produce exporters than to importers like Japan, according to the official.

Japan, which virtually bans imports of rice, has been strongly opposed to tariffication, which would convert the barriers to farm product imports into tariffs that would be gradually reduced, as proposed in the Dunkel paper issued last December.

"There are some politically difficult problems," concerning Japan's acceptance of the Dunkel plan, Hata reportedly told the GATT chief.

Hata said that even if a compromise is reached between the United States and the European Community (EC) over the politically charged issue of reducing farm supports, that would not bring the stalled Uruguay Round of trade-liberalization talks to an end.

The issue should be discussed and agreed multilaterally in order to be a bona fide solution to the GATT negotiations, he said.

The six-year-old negotiations under GATT auspices remain bogged down as the U.S. is still at loggerheads with EC over the thorny issue of farm trade liberalization.

In response to Hata's criticism, Dunkel said his proposal of last December is not a lopsided one.

It calls for only a 15 percent reduction in farm import barriers in six years after converting them into tariffs, and does not deny farm importers the right to protect their agricultural industries, Dunkel told Hata, according to the ministry official.

The GATT chief also said there could be a rapid progress in the Uruguay Round talks toward the conclusion if the U.S. and EC reach a compromise on the farm trade issue, as is highly possible after September 20, when France, in a national referendum, is expected to ratify the Maastricht Agreement on European unity.

Japan should brace for such a development of events, Dunkel said.

Dunkel Rejects Exception to Tariffication

OW0109095992 Tokyo KYODO in English 0926 GMT 1 Sep 92

[Text] Tokyo, Sept. 1 KYODO—Arthur Dunkel, director general of the General Agreement on Tariffs and Trade (GATT), on Tuesday again rejected any exception to his December proposal on comprehensive tariffication of trade barriers.

Dunkel said at a press conference "all structure (of the Uruguay Round of trade talks) will fall into pieces" if any one exception is approved.

Tariffication is not full liberalization, but what is called "re- instrumentation" or replacing one form of protection by another protection—tariffs, Dunkel said.

He said the moves required of each negotiating country in his proposal are "relatively very moderate."

The negotiation process is subject to risks because of the fatigue of negotiators and a tendency to discuss political life to extend negotiations, he said.

Dunkel, however, hinted that the negotiations should be concluded by the end of February, when the U.S. Congress' agreement to pass trade bills without any amendments on a take-it-or-leave-it basis will expire.

GATT Review of Regional Trade Blocs Proposed

OW0109060592 Tokyo KYODO in English 0557 GMT 1 Sep 92

[Text] Tokyo, Sept. 1 KYODO—General Agreement on Tariffs and Trade (GATT) Director General Arthur Dunkel said Tuesday he is considering periodically reviewing regional trade groupings under the GATT mechanism, Japanese officials said.

Dunkel made the remark in a meeting with International Trade and Industry Minister Kozo Watanabe, who expressed concern that the North American Free Trade Agreement (NAFTA) comprising the United States, Canada, and Mexico might be closed to outside nations, the Japanese trade ministry officials said.

Dunkel said he will propose using the GATT trade policy review mechanism, under which trade policies of all contracting parties are subject to periodic review, in this connection.

Regarding the long-stalled Uruguay Round of multilateral trade talks, Dunkel reiterated his hope that the negotiations may reach a crucial stage after the September 20 French referendum on the integration of the European Community (EC), the officials said.

Watanabe, encouraged by Dunkel's outlook, expressed his hope that the talks may move forward before a meeting of trade ministers of four major economic powers this autumn, they said.

During a separate meeting with senior members of the ruling Liberal Democratic Party (LDP), Dunkel called on Japan to accept comprehensive tariffication and minimum access schemes, LDP sources said.

Dunkel was quoted as saying that tariffication would not lead to full liberalization.

Kosuke Hori, chairman of the LDP's Farm Trade Commission, told Dunkel, however, that Japan cannot accept the tariffication of rice import barriers because of its policy of self-sufficiency in its staple food, the sources said.

The LDP side asked for Dunkel's understanding of Japan's political difficulties, pointing out that LDP does not hold a majority of seats in the House of Councillors and that an election is expected within a year for the House of Representatives and in three years for the upper house, the sources said.

Dunkel replied that the Uruguay Round is aimed at creating changes and there would be no need for negotiations if everybody wanted to stick to the status quo, according to the sources.

MITI Head Warns Against Regional Protectionism

OW0109033092 Tokyo KYODO in English 0310 GMT 1 Sep 92

[Text] Tokyo, Sept. 1 KYODO—International Trade and Industry Minister Kozo Watanabe said Tuesday Japan would oppose the idea of promoting regional protectionism at an upcoming Asia-Pacific economic forum.

Watanabe told a regular news conference he would stress that Japan does not want to see either economic regionalism or economic blocs when he addresses the Asia-Pacific Economic Cooperation (APEC) meeting scheduled to be held in Bangkok on September 10 and 11.

He apparently intends to stress at the meeting that there should be concern about regional protectionism arising from the North American Free Trade Agreement (NAFTA) recently concluded among the United States, Canada, and Mexico, ministry sources said.

Watanabe said, "Any trend toward protectionism should be strictly avoided," though he admitted he had to study the details of the agreement.

Miyazawa Wishes Success to Nonaligned Summit

OW0109032592 Tokyo KYODO in English 0246 GMT 1 Sep 92

[Text] Jakarta, Sept. 1 KYODO—Japanese Prime Minister Kiichi Miyazawa sent a message to Indonesian President Suharto on Tuesday at the start of a summit of nonaligned countries, wishing its success under his chairmanship.

Miyazawa expressed Tokyo's "profound respect" for Jakarta's efforts to organize the six-day meeting that has brought together leaders from nearly 100 countries.

He voiced expectations that "Indonesia, a traditional friend of Japan in this part of the world, shall play a constructive role as chairman of the Non-Aligned Movement, in assuring the peace and prosperity of the international community."

Transport Minister Allegedly Given Sagawa Money

OW0109081892 Tokyo KYODO in English 0723 GMT 1 Sep 92

[Text] Tokyo, Sept. 1 KYODO—Transport Minister Keiwa Okuda allegedly received 100 million yen from one of the scandal-ridden Sagawa Kyubin Group of trucking companies in 1989 and 1990, a national daily newspaper reported Tuesday evening.

The MAINICHI SHIMBUN, in a front-page story in the evening edition, quoted informed sources as saying that one of the account books at Hokuriku Sagawa Kyubin Co. mentioned that the company gave 100 million yen to Okuda over two years.

Okuda told reporters in late August that he knew Hiroyasu Watanabe, former president of Tokyo Sagawa Kyubin Co. but said he had never received a corporate donation from Tokyo Sagawa Kyubin.

When asked to comment on allegations he received an individual donation from the same company, Okuda said he would "prefer to reserve comment at this stage."

Okuda, elected from the No. 1 constituency in Ishikawa Prefecture, is a senior member of the largest faction, founded by former Prime Minister Noboru Takeshita, in the ruling Liberal Democratic Party.

An Okuda secretary denied that the minister received any political donations from Hokuriku Sagawa, based in Kanazawa, Ishikawa Prefecture, the report said.

Hokuriku Sagawa's account books containing clear descriptions of the company's expenditures between 1982 and March 1991 had disappeared in February.

A political association based in Ishikawa Prefecture, however, found the missing books and gave them to the Tokyo Metropolitan Police Department, the report said.

In April, the association made public copies of some of the account books dating back six years.

The copies included descriptions that Hokuriku Sagawa gave about 6 million yen to Yoshiro Mori, chairman of the LDP Policy Affairs Research Council, and political organizations supporting him, the report said.

Tokyo Sagawa and Hokuriku Sagawa merged with other regional trucking firms into Sagawa Kyubin Co. earlier this year.

Earlier Tuesday [31 August], Niigata Gov. Kiyoshi Kaneko tendered his resignation to accept political and moral responsibility for "disorder" following allegations he received a huge amount of undeclared donations from Tokyo Sagawa Kyubin.

Kaneko, 60, is suspected of having sought political funds from Watanabe, 58, and accepting 300 million yen just before the 1989 gubernatorial election, investigative sources said.

Last week, kingmaker Shin Kanemaru resigned as vice president of the LDP after acknowledging receiving 500 million yen from Tokyo Sagawa Kyubin in 1990.

'Categorically' Denies Receiving Funds

OW0109113992 Tokyo KYODO in English 1126 GMT 1 Sep 92

[Text] Tokyo, Sept. 1 KYODO—Transport Minister Keiwa Okuda categorically denied Tuesday a newspaper report that he received 100 million yen in 1989 and 1990 from one of the trucking companies in the scandal-tainted Sagawa Kyubin Group.

At a hurriedly arranged news conference, Okuda said he stakes his political life on denying the front-page story in the Tuesday edition of the MAINICHI SHIMBUN.

The major daily quoted informed sources as saying one of the account books at Hokuriku Sagawa Kyubin Co. mentioned Okuda as a recipient of 100 million yen of the company's funds over a two-year period.

Okuda said he was absolutely furious over the MAINICHI report, adding he has never received any corporate and individual donations from Sagawa.

But asked about small individual donations from Sagawa, Okuda simply said he will provide a clear-cut answer when the appropriate time comes.

Hiroyasu Watanabe, former president of Tokyo Sagawa Kyubin, a now-defunct company in the Saga Kyubin Group, reportedly provided more than 2 billion yen to about a dozen politicians, including several former prime ministers.

Shin Kanemaru, a chief power broker in the ruling Liberal Democratic Party, announced his resignation last week from the LDP vice presidency after acknowledging that he secretly received 500 million yen in political donations from Watanabe.

No Probe of Cabinet on Sagawa Ties Planned

OW0109051392 Tokyo KYODO in English 0335 GMT 1 Sep 92

[Text] Tokyo, Sept. 1 KYODO—Chief Cabinet Secretary Koichi Kato said Tuesday the cabinet does not intend to investigate whether any cabinet members have received political donations from the scandal-ridden Tokyo Sagawa Kyubin Co.

Two cabinet members are among a list of some 12 senior politicians alleged to have received a total sum of 2.1 billion yen from Hiroyasu Watanabe, former president of the now defunct delivery company.

Shin Kanemaru, whose name also appeared on the list, resigned as vice president of the ruling Liberal Democratic Party last week for receiving 500 million yen in unreported donations from Watanabe.

Niigata Governor Kiyoshi Kaneko, who allegedly received millions of yen from the company, announced his resignation Tuesday.

Kato, asked by reporters whether he would regard a politician who had failed to make a legally required report of political donations as unfit to serve in the cabinet, said he would not respond to hypothetical questions.

Foreign Minister Michio Watanabe and Transport Minister Keiwa Okuda last week denied media reports they had received corporate donations from Tokyo Sagawa Kyubin.

Okuda has reserved comment, however, on whether he received a donation from an individual linked with the company.

Of the 15 cabinet members, 12 questioned by reporters Tuesday said they had definitely not received any donations or favors from Tokyo Sagawa Kyubin.

Of the remaining three, one minister declined comment, while the other member denied receiving money to the best of his knowledge.

The third minister, Okuda, repeated his earlier comment that he had received no corporate donations from Tokyo Sagawa Kyubin.

On Kaneko's announcement, Kato said it is "regrettable for a governor to resign in such a situation."

Tokyo Sagawa Kyubin, which merged with several other parcel delivery firms into Sagawa Kyubin Co. earlier this year, is at the center of a scandal involving the extension of over 500 billion yen in loans and loan guarantees to companies and individuals.

North Korea

Report on Eighth Meeting of Joint Nuclear Panel

SK3108131792 Pyongyang Korean Central Broadcasting Network in Korean 1210 GMT 31 Aug 92

[Text] The eighth meeting of the North-South Joint Nuclear Control Commission [JNCC] was held in the South side's area of Panmunjom on 31 August. Our side again put forward a momentous draft of nuclear inspection regulations. The draft takes into consideration the South side's draft nuclear inspection regulations out of a desire to improve the stalemated work of the JNCC and to realize the denuclearization of the Korean peninsula as soon as possible, and also takes into consideration the pressing need to find out if there are U.S. nuclear weapons and nuclear bases, and the fact that the International Atomic Energy Agency [IAEA] is conducting an ad hoc inspection of us.

Our side also proposed that the two sides begin discussion on draft inspection regulations under the premise that discussion of the draft of the annexed agreement for the implementation of the joint declaration on denuclearization will be made when necessary. This takes into consideration the fact that the South side agreed to our proposal for concluding the inspection regulations and implementation agreement as a package and implementing them at the seventh meeting when the South produces a draft agreement on the implementation of the joint denuclearization declaration for the first time.

Putting forward this progressive plan, our side urged the South to begin working discussions at today's talks, coordinating opinions on the basic matters of the draft inspection regulations, and holding contacts between members.

The South came to today's meeting empty-handed and said that inspection of U.S. nuclear weapons and nuclear bases in the South is unreasonable. The South also defended Japan's nuclear weapons development and went so far as to make rude remarks defaming the IAEA's authority. The South attempted to blame us for the failure to realize the exchange of visits by elderly parents' groups and art troupes, which the South unilaterally declared aborted. It also attempted to justify the Focus Lens joint military exercise that it is conducting with a foreign force against us, the other dialogue partner. This shows that the South side has no intention of implementing the North-South agreement and the joint denuclearization declaration and that it intends to follow the outside force's policy of nuclear blackmail, a policy designed to make our nation a nuclear hostage.

The rules of inspection were then discussed. The two sides failed to narrow differences of view on the title of the rules of inspection. However, they agreed on the titles of the seven chapters of the rules of inspection and the content of some of the clauses:

Chapter 1. Exchange of Information for Verifying Denuclearization
Chapter 2. Formation and Operation of Inspection Teams for Verifying Denuclearization
Chapter 3. Selection of Sites for Inspection for Verifying Denuclearization
Chapter 4. Inspection Procedures and Methods for Verifying Denuclearization
Chapter 5. Correctional Measures and Resolution of Disputes as a Result of Nuclear Inspections
Chapter 6. Guaranteeing Personal Safety and Conveniences
Chapter 7. Revision, Implementation, and Other Matters

The two sides completely agreed on or narrowed differences of views on 10 paragraphs in the content of the rules of inspection. They are: Within 10 days after the rules of inspection are adopted, the sides will exchange information. If one side asks the other to provide more information because the information provided is insufficient, the other side should provide it in five days. If it cannot, it should explain why. If the information provided is changed, the sides will inform each other of it within 15 days after such a change takes place.

The sides agreed to hold a members' meeting on 19 September.

Daily Denounces South's National Security Law

SK3108121492 Pyongyang KCNA in English 1022 GMT 31 Aug 92

["NODONG SINMUN Urges Release of Pro-Reunification Patriots and Long-Term Prisoners"—KCNA headline]

[Text] Pyongyang August 31 (KCNA)—NODONG SINMUN in an article today hits out at the South Korean authorities who are showing no sign of abolishing the "National Security Law" [NSL] and other anti-reunification evil laws and releasing pro-reunification patriots and long-term prisoners still today when half a year has passed since the North-South agreement came into effect and it has entered into a stage of implementation.

The "National Security Law" is an anti-national, anti-reunification evil law that regards the fellow countrymen as the enemy and totally denies national unity, the article says, and goes on:

Under this "law" any call for national reconciliation and unity is incriminated and those who rise in a patriotic struggle for independence, democracy and reunification are made objects of severe punishment in South Korea.

The Rev. Mun Ik-hwan, woman student Yim Su-gyong and other imprisoned visitors to the North are patriotic pioneers of reunification who opened the way for independent nongovernmental dialogue between the North and the South, making a breakthrough in the barrier of division with a determination to throw themselves on the altar of reunification. And old Yi In-mo and many

other unconverted long-term prisoners are patriots who fought in defence of human dignity, not recanting their belief in the patriotic cause of reunification in their prison life for 30 to 40 years.

Nevertheless, the South Korean authorities are still persecuting them after passing heavy penalties upon them by invoking the "NSL." This is a never-to-be-condoned treachery to the nation that could be committed only by the separatists who do not want national reconciliation, unity and reunification.

Since the North and the South of Korea have agreed to reconciliation and unity the "NSL" has already lost its ground to exist and it is contradictory to the agreement on reconciliation and unity.

Yet the South Korean authorities talk about "progress of dialogue" and "reunification" while leaving the "NSL" that defines fellow countrymen as the "enemy" intact and keeping pro-reunification patriots behind the bars by dint of the evil law. This is a hypocrisy and a mockery of the nation's desire for reunification.

Without the abolition of the "NSL" and the release of pro-reunification patriots and long-term prisoners the South Korean authorities have neither face nor are entitled to talk about dialogue and reunification.

If they have the real intention to end the confrontation and achieve reconciliation and unity in the spirit of the agreement, they must immediately scrap the "NSL" and all other anti-reunification evil laws that do harm to them and unconditionally release all of the pro-reunification patriots and unconverted long-term prisoners they have arrested by invoking the evil laws.

The South Korean rulers are now pursuing a despotic policy of destroying democracy and denying reunification, brandishing swords at a time when a historical agreement was adopted and brought into effect between the North and the South and all the fellow countrymen, encouraged by this, are aspiring after national reconciliation, unity and reunification. Can one say the South Korean authorities have an iota of national conscience?

At present, South Korean prisons are packed to overflowing with patriots and democrats arrested on false charges. And yet, the South Korean rulers are whipping themselves into frenzy in their attempt to arrest pro-reunification democratic forces to the last man. They are a pack of dyed-in-the-wool fascists who have no regard for the country and the nation, for democracy and reunification.

The South Korean rulers have hung out the signboard of "public peace" in suppressing the pro-reunification democratic forces, but it is a fig leaf.

The present South Korean ruling force is scheming to stage the "presidential elections" slated for the yearend without difficulty by government power, money and fraud after removing the leading members of pro-reunification democratic forces one by one and threatening and suppressing their righteous action in advance and creating a bloody terror-ridden atmosphere in society and thereby to gratify its ambition for long-term office based on the "DLP's" one-party dictatorship. But this is a miscalculation.

Bayonet suppression is not almighty. It cannot break the people's will.

Daily Sees U.S. Behind South's DLP Crackdown

SK0109110592 Pyongyang KCNA in English
1011 GMT 1 Sep 92

["Sword-Brandishing Aimed at Prolongation of Dictatorship""—KCNA headline]

[Text] Pyongyang September 1 (KCNA)—The South Korean "Democratic Liberal Party" [DLP] ruling group is getting frenzied in its crackdown on pro-reunification democratic forces, working in real earnest for the extension of its "power" under the backstage manipulation of the United States.

Commenting on this, a NODONG SINMUN analyst today recalls the South Korean rulers' recent crackdown on pro-reunification democratic forces including hard-core members of the South Korean Institute for Peaceful Reunification and the Council for Democratic Reforms and Social Progress.

This is an unjustifiable anti-national, anti-reunification fascist tyranny, the analyst says, and goes on:

Dailies Urge Continued NAM Development

SK0109062792 Pyongyang KCNA in English
0503 GMT 1 Sep 92

["Papers Call for Continued Strengthening and Development of NAM (Nonaligned Movement)"—KCNA headline]

[Text] Pyongyang September 1 (KCNA)—Papers here today dedicate editorials to day of nonalignment and the opening of the tenth Non-Aligned summit in Indonesia.

Progressive mankind, says NODONG SINMUN, hopes that the current summit would settle important matters arising in the Non-Aligned Movement (NAM) at present and signify a major landmark in further strengthening and developing the movement in conformity with the demand of the present times.

Calling for its continued strengthening and development, it says:

The NAM has in the past covered a proud course to accomplish the common cause of mankind on the basis of its idea and principles, however, its mission and duty have not been carried out nor have its ideal and purpose been attained.

Today the NAM is facing new challenge of the imperialists who seek to establish a "new world order" orchestrated by them and lord it over the world taking advantage of their economic and military superiority after the end of the cold war.

The prevailing situation tells us that the NAM must continue to exist and urgently demands that it must be preserved as an independent political force and be strengthened and developed further still.

What is important in strengthening and developing the NAM is to uphold the fundamental principles and nature of this movement and keep its features alive.

To ensure the purity of the movement and strengthen its unity is an important guarantee for consolidating and developing it. Therefore, we must not tolerate any attempt to fling open the door of this movement without principle, talking about "the change of the situation" and "reform".

What is also important in the NAM is to conduct vigorous activities to face squarely the changing international situation in conformity with its mission and duty and struggle to establish a new international order based on justice and equality against the policy of strength, arbitrariness and privileges.

The NAM, for the present, should actively struggle for the removal of the aggressive military bases, Armed Forces and nuclear weapons of the imperialists overseas, the main source of threat to sovereignty and peace, oppose their intervention in the regional problems and disputed areas and not allow their solo play in dealing with international issues.

Of importance here is to conduct energetic activities for the democratization of the United Nations.

It is also necessary for the non-aligned countries to continue to develop in scope South-South cooperation.

MINJU CHOSON in its editorial declares that the Democratic People's Republic of Korea will, in the future, too, hold aloft the flag of nonalignment and do its utmost so that the NAM may fulfil its honourable mission and duty to the times and history.

South Accused of 'Frustrating' Exchange Visits

SK3108124392 Pyongyang Korean Central Broadcasting Network in Korean 1150 GMT 24 Aug 92

[Commentary by station commentator Chong Pong-kil: "Sinners Are Destined To Be Punished for Their Crimes"]

[Text] The hard work on exchanging the visiting groups of elderly parents and art troupes between the North and the South has broken up. This is completely attributable to obstructive maneuvers and betrayal by the South Korean authorities and their Red Cross organization.

At the North-South high-level talks, we presented the matter of visiting groups of elderly parents and art troupes as a special matter. We have been completely sincere and have made all efforts to make the visits a reality.

We presented a new proposal on exchanges of visiting groups of elderly parents. It was aimed not only at making all fellow countrymen genuinely feel that the historic North-South agreement is actually being implemented, but also at giving separated family members and relatives in the North and the South the pleasure and hope of meeting their own flesh and blood.

The South Korean authorities, however, tried to use the exchange of elderly parents for insidious political purposes. They even opposed the exchange itself. Their overt efforts to frustrate the work of exchanging the visiting groups of elderly parents was seen at the eighth contact between the North-South Red Cross working-level delegates.

At the eighth contact, the South side again raised the issue of nuclear inspection as a precondition. It broke its promise that it would repatriate Yi In-mo to our side without any precondition shortly after the seventh North-South high-level talks. While making a far-fetched argument about why it cannot cancel the Focus Lens joint military exercise, the South avoided making the exchange of the visiting groups of elderly parents a reality.

Worse still, the South did not hesitate to be impolite by unilaterally leaving the meeting place, and turning a deaf ear to our proposal that the next contact between working-level delegates be held on 26 August.

The next day, the South Korean Red Cross president announced in a statement that the work on visiting groups of elderly parents and art troupes broke up completely. This is another example of the South's premeditated maneuvers designed to frustrate the work of the visiting groups of elderly parents. Thus, the South side's act is an unpardonable crime, throwing a wet blanket on all of the fellow countrymen's growing aspirations for reunification.

The South Korean rulers objected to the work on exchanging the visiting groups of elderly parents from the beginning. They have created artificial stumbling blocks to making the exchange a reality. This is demonstrated by the fact that they have put forward someone's nonexistent nuclear doubt, that they rejected the most urgent humanitarian issue of repatriating Yi In-mo, and that they persistently conducted the Focus Lens war exercise against the dialogue partner.

The repatriation of Yi In-mo is the most urgent humanitarian issue. If the South Korean rulers take into consideration the suffering of separated families, they will resolve this issue first. In addition, at the seventh North-South high-level talks, the South Korean authorities openly declared they would repatriate Yi In-mo. This is why we have strongly demanded that Yi In-mo be

repatriated to his home before the exchange of the visiting groups of elderly parents.

Nonetheless, the South side broke its promise to us, refusing even to negotiate the issue of repatriating Yi In-mo. The South's prime minister and foreign minister ranted that it cannot repatriate Yi In-mo. They also ranted that work on exchanging visiting groups is possible only after nuclear inspections and that unless the nuclear issue is resolved, it will be difficult to make progress in North-South relations.

Worse still, challenging our demand to repatriate Yi In-mo, the South Korean rulers mobilized agents of the Agency for National Security Planning and the police to surround his residence. They blocked visitors and mobilized rascals to force Yi In-mo to leave his residence. They also committed the barbarity of taking him to an unknown place.

They frantically conduct the large-scale Focus Lens joint military exercise in collaboration with foreign forces in the sky, on land, and at sea in South Korea at the same time that the work on exchanging visiting groups of elderly parents should be conducted. They are aggravating tension in our country and inciting confrontation with the South Korean people, rather than working for reconciliation and unity.

After mapping out the scenario to frustrate the implementation of the North-South agreement as well as the work on exchanging elderly parents and art troupes under the pretext of the nuclear issue, the South Koreans have enthusiastically promoted the scenario.

In order to evade responsibility for breaking up the work on visiting groups of elderly parents, the South Korean rulers are frantically engaged in a strategem in which they are recklessly finding fault with us. However, their strategies and propaganda cannot work in this bright world. It is natural that sinners should be punished for their crimes.

The South Korean rulers should be held responsible for frustrating the work on visiting groups of elderly parents and for throwing a wet blanket on the implementation of the North-South agreement.

South Korea

Steps Toward Implementing China Ties Reported

No Tae-u To Visit PRC This Month

SK0109012092 Seoul YONHAP in English 0014 GMT 1 Sep 92

[Text] Seoul, Sept. 1 (YONHAP)—President No Tae-u said Monday his visit to China later this month would focus on clearing the remains of the cold war in Northeast Asia.

"On top of the agenda at the historic Korea-China summit will be restructuring of the bilateral relations necessitated by the changes on the Korean peninsula and in Northeast Asia and clearing the cold war remains in this part of the world. The development of South-North Korean relations and resolution of the issue involving North Korea's nuclear development will also be discussed," No said.

South Korea and China established bilateral diplomatic relations on Aug. 24.

In an interview with KYONGIN ILBO, a provincial daily, the president said normalization of Seoul-Beijing ties had come earlier than expected because "the Chinese leaders concluded that it would be better to normalize the relations with me, rather than with my successor."

No's term expires in February. The nation goes to polls in December to choose his successor.

Touching on the much-touted possibility of an inter-Korean summit, the chief executive said he still believed the need of it.

"For an epochal development of South-North Korean relations, I believe a summit meeting is important. So, I have repeatedly proposed it to North Korea and the North recognizes the need too. Haste is not enough for this kind of work, however," he said.

As for the construction of a new international airport in Yongjong island off Inchon Port, No firmly said the work would begin soon as scheduled.

The opposition political parties, noting the recent controversy over the second mobile phone project, have demanded No postpone such large-scale public works as the airport construction and a Seoul-Pusan electric railway until the next government.

Foreign Minister on Process of Ties

SK2808021792 Seoul HANGUK ILBO in Korean 25 Aug 92 p 2

[Interview with ROK Foreign Minister Yi Sang-ok by correspondent Yi Kye-song at the Xindadu Hotel in Beijing on 24 August]

[Text] [Yi Kye-song] The ROK and China have established diplomatic relations. Do you think China gives more weight to relations with North Korea or relations with South Korea?

[Yi Sang-ok] China signed the mutual assistance treaty with North Korea in 1961. The situation has changed greatly since then, however. Also, because the ROK and China have established diplomatic relations, the significance of the mutual assistance treaty will inevitably change. Because China has diplomatic relations with both North and South Korea, it will redefine its policy toward the Korean peninsula. It will shift its policy of

promoting relations solely with North Korea to the policy of maintaining equal and reciprocal relations with North and South Korea.

[Yi Kye-song] North Korea has so far kept silent about the establishment of ROK-PRC diplomatic relations. What do you think this means in North-South relations?

[Yi Sang-ok] I think that North Korea is being cool-headed and accepting the reality. We hope that North Korea will use the establishment of ROK-PRC diplomatic relations as an occasion to realistically change its foreign policy.

[Yi Kye-song] What did the two countries ask each other to do about the North Korean issue during their negotiations to establish diplomatic relations?

[Yi Sang-ok] We do not want North Korea to be isolated because of the establishment of ROK-PRC diplomatic relations. We emphasized that the establishment of ROK-PRC diplomatic relations would serve as an occasion to expedite the establishment of diplomatic relations between North Korea and Japan and the improvement of relations between the United States and North Korea. Before that, we made it clear, of course, that the nuclear issue should be resolved and that North-South mutual nuclear inspections and inspections by the International Atomic Energy Agency must be conducted. The Chinese enthusiastically supported progress in North-South dialogue and clarified its will for the denuclearization of the Korean peninsula. The Chinese position on this was confirmed again during the ROK-Chinese foreign ministers' talks and during my courtesy call to Premier Li Peng.

[Yi Kye-song] Some people note that our side accepted completely the Chinese side's opinions on formulating the joint communique on the establishment of diplomatic relations. For example, we accepted China's five-point principle for peaceful coexistence and recognized the PRC Government as the sole legitimate government in China.

[Yi Sang-ok] Article 2 of the joint communique is based on the United Nations Charter, put forth by our side, and China's five-point principle for peaceful coexistence.

[Yi Kye-song] In a news conference with domestic and foreign reporters after the signing of the joint communique, a Chinese Foreign Ministry spokesman revealed that China did not apologize for its past actions, including its participation in the 25 June war.

[Yi Sang-ok] During negotiations for diplomatic relations, our side brought up the Chinese participation in the Korean war, and the Chinese side expressed its regret over it. The Chinese Foreign Ministry spokesman answered that way in the news conference because a reporter asked whether China apologized for it.

[Yi Kye-song] There is speculation that $2 billion in loans will be given to China in return for the establishment of diplomatic relations. In addition to this, rumors say that during his visit to China, President No Tae-u will make a commitment to the Chinese side for construction of an industrial complex or for big investments in social infrastructures.

[Yi Sang-ok] Economic assistance was not discussed even once during negotiations for diplomatic relations. Taiwan spread rumors on economic assistance after we informed it of progress in negotiations for the establishment of ROK-PRC diplomatic relations on 18 August. I think that this is slander resulting from ill will aimed at damaging the significance of the establishment of ROK-PRC diplomatic relations

[Yi Kye-song] How will you handle relations with Taiwan?

[Yi Sang-ok] The two countries will close their embassies within a month. Although diplomatic relations between the ROK and Taiwan were severed when the ROK and China established diplomatic relations, we will maintain informal relations with Taiwan at the highest possible level. We will send a civilian delegation to Taiwan soon to discuss maintaining the two countries' relations.

Further Comments by Foreign Minister

SK0109051392 Seoul CHOSON ILBO in Korean 30 Aug 92 p 4

[Interview with ROK Foreign Minister Yi Sang-ok by Yi Yong-tok, chief of CHOSON ILBO's Political Department—place and date not given; first paragraph is editor's note]

[Text] The establishment of diplomatic relations between the ROK and China is a great surprise. As a result, it is predicted that overall changes will take place on the Korean peninsula as well as in Northeast Asia. Since the Korean war, China maintained blood-tied relations with North Korea. The fact that China officially recognized the ROK and established diplomatic relations, however, implies that a new order is forming after the end of the cold war. The establishment of diplomatic relations between the ROK and China, on the other hand, resulted in the rupture of ROK-Taiwan diplomatic relations. Taiwan and the ROK maintained diplomatic relations since the Shanghai provisional government period. In a nutshell, significant changes are starting to take place around the Korean peninsula. Yi Yong-tok, chief of CHOSON ILBO's Political Department interviewed Foreign Minister Yi Sang-ok, the leader of the process to establish diplomatic relations with China. They talked about the process, many parts of which are still under a veil, the Taiwanese issue, and on how to map out our future diplomatic work.

[Yi Yong-tok] The establishment of diplomatic relations with China progressed at a faster rate than expected. How was that possible? Can you give some background?

[Yi Sang-ok] It was a result of persistent efforts by the foreign affairs authorities of both countries. It was not a

result of some kind of projection nor was it achieved through uncommon methods. When I visited Beijing in April to participate in the UN Economic and Social Commission for Asia and the Pacific (ESCAP) meeting, a general outline on the establishment of diplomatic relations was agreed upon during the third meeting with Chinese Foreign Minister Qian Qichen.

In the statement issued after the foreign ministers talks there was a passage which read: "Both sides recognize that it is desirable for the ROK and China to establish diplomatic relations. To achieve this we will make joint efforts." People may have thought that this was only diplomatic rhetoric. The fact that Chinese Premier Li Peng received the ROK foreign minister, even though there were no diplomatic ties between the two countries, implies that the Chinese side was at this time already starting discussions to establish diplomatic relations.

[Yi Yong-tok] Generally, when considering relations between North Korea and China, is there some other reason why the ROK and China rapidly established diplomatic relations before North Korea improved its relations with the United States and Japan?

[Yi Sang-ok] Even before the April foreign ministers meeting, China thought that the establishment of diplomatic relations with us should be linked to improved relations between North Korea and Japan and North Korea and the United States. Since then, China has clearly shown that these issues and the establishment of diplomatic relations with the ROK are not directly linked, however. China judged that the time had come to promote the normalization of relations with the ROK.

[Yi Yong-tok] There were rumors that we gave China $2 billion as the cost of establishing diplomatic relations. This suggests that there may have been some kind of tacit secret agreement.

[Yi Sang-ok] I repeat that in the process of establishing diplomatic relations there was no talk of economic cooperation that mentioned money. As of late 1991, the amount of China's foreign exchange holdings exceeded $40 billion and its balance of payments is over $8 billion in the black.

I think I can explain from three aspects why China actively responded to establishing diplomatic relations with us.

First, China recognized the need to establish official relations with the ROK to progress practical relations. In 1991, China's volume of trade with Korea amounted to $5.8 billion. This year it is expected to exceed $10 billion.

Second, China's diplomatic policy since the Tiananmen incident is to attach great importance to Asia. China recently normalized relations with Indonesia and Singapore. Also, through the establishment of diplomatic relations with the ROK, which has emerged as an important country in this region, China is trying to free itself from isolation in the Asian bloc. Because of the Tiananmen incident, Western countries have tried to isolate China.

Third, it seems that China was motivated by Taiwan's recent efforts to recover its diplomatic position. Through the growth of its economic might, this year Taiwan established a consulate-general in Latvia, even before China, and succeeded in the reestablishment of diplomatic relations with Niger. This made China recognize that it must bring about a turning point in its current situation.

[Yi Yong-tok] There are rumors that a few years ago a nondiplomatic channel proposed to give China $2 billion.

[Yi Sang-ok] The Foreign Ministry has no knowledge of this.

[Yi Yong-tok] In the joint communique on the establishment of diplomatic relations between the ROK and China, China was recognized as the only legitimate government while Korea was recognized as two Koreas.

The ROK severed diplomatic relations with Taiwan, our old ally, and there are views that the issue of the past with China was dealt with somewhat unjustly. What are the profits and losses of establishing diplomatic relations with China?

[Yi Sang-ok] Both the PRC and Taiwan are adhering to the one China principle. No country in this world has established diplomatic relations with both China and Taiwan. Since the 23 June statement we have abolished the Halstein principle and currently 112 countries have diplomatic relations with South and North Korea, however.

The Chinese nation should not place this burden on other countries but deal with the matter itself. Regarding the profit and loss of establishing diplomatic relations with China, there are common principles and rules used by international society in carrying out diplomacy. It was an inevitable choice to follow the one China principle in establishing diplomatic relations with the PRC. It is heartbreaking that diplomatic relations with Taiwan had to be severed.

[Yi Yong-tok] In a news conference, Shu-chi Chin, Taiwanese ambassador to the ROK, expressed dissatisfaction over the fact that Taiwan was left out in the process of establishing diplomatic relations. He said it in a tone that seemed to say that Taiwan was deceived by the ROK Government. Was there not a more generous way to deal with this matter?

[Yi Sang-ok] I believe it was because I was very excited. Before I became foreign minister, conditions were that it was not easy for the Taiwanese ambassador to the ROK to meet the ROK foreign minister. After I became foreign minister, however, Ambassador Shu-chi Chin became the diplomat in the ROK to meet me the most. He says that I did not explain to him sufficiently about the establishment of diplomatic relations with China, but after my return from Beijing in April and in May when a Taiwanese envoy visited the ROK, I clearly

informed them of our plan to establish diplomatic relations with China. At that time, Taiwan requested that we not establish diplomatic relations with China. I refuted their request by saying that it is the same as saying that we should not achieve reunification.

Taiwan's demand to be informed of the correct content of the negotiations to the end is an unreasonable demand.

[Yi Yong-tok] How will ROK-Taiwan relations develop in the future?

[Yi Sang-ok] Some people are saying that we are accepting the fact that China is the only legitimate government even more strongly than the United States and Japan. These people do not know the truth correctly.

I can say with confidence that we dealt with establishing diplomatic relations with China so it would be advantageous to Taiwan before any other country. The United States and Japan recognize China as the only legitimate government. Since establishig diplomatic relations with China they have been maintaining relations with Taiwan through an incorporated body form. We will dispatch a mission to Taiwan soon to start discussions on establishing an unofficial mission at the highest level.

[Yi Yong-tok] Were there discussions on past relations between the ROK and China, including the Korean war?

[Yi Sang-ok] In the joint communique of the basic ROK-Japan treaty there is no passage saying that it apologizes for the past. Our negotiating representatives clearly expressed regret about the past. That record is being kept by both sides.

[Yi Yong-tok] It sounds different from the Chinese spokesman's remarks, does it not?

[Yi Sang-ok] The two sides promised not to reveal what was discussed about this issue. When reporters asked the Chinese spokesman whether China "apologized," he had no alternative but to give a negative answer.

[Yi Yong-tok] Do you think there will be any problems in handling the site of the Taiwan Embassy in Seoul?

[Yi Sang-ok] Our government's estimate shows that the site is worth approximately $400 million at market value. The Qing Dynasty purchased the site. A legitimate Chinese government is entitled to have the site. As far as I know, Taiwan consented to this idea. The ROK has rented its embassy building in Taiwan for approximately $350,000. Taiwan may forcibly take it.

[Yi Yong-tok] How would we interpret North Korea's silence

[Yi Sang-ok] I heard that during his visit to North Korea last April, Chinese President Yang Shangkun notified North Korea that the normalization of ROK-PRC relations was inevitable. We cannot but explain that China's persuasion was effective. It must have been difficult for North Korea to resist China, its most important ally.

[Yi Yong-tok] Rumor has it that China promised North Korea economic assistance and recognized its succession plan.

[Yi Sang-ok] I, too, have heard them. They are mere speculation.

[Yi Yong-tok] Will the improvement of North Korea's relations with the United States and Japan be accelerated?

[Yi Sang-ok] It depends on how sincerely North Korea will be about resolving the nuclear issue. I regret that North Korea has not decided to sincerely resolve the nuclear issue.

[Yi Yong-tok] Will President No Tae-u meet Deng Xiaoping when he visits China?

[Yi Sang-ok] Deng Xiaoping is a person who holds real power in China. He has not met any top foreign leaders, however. He has resigned from all official positions. This is all that I can say.

[Yi Yong-tok] Do you think there will be a change in China's policy toward ethnic Koreans in China?

[Yi Sang-ok] Two million ethnic Korean residents are now living in China. Because ROK-PRC relations have been normalized, we are planning to examine various issues, including their status. For your information, the agreement on basic relations between the ROK and Russia stipulates how to cooperate in teaching Korean language and culture to ethnic Koreans in Russia.

[Yi Yong-tok] Some people say the current situation on and in the vicinity of the Korean peninsula is reminiscent of the late 19th century when powerful countries were competing on the Korean peninsula. Do you think our diplomacy will do well in this regard?

[Yi Sang-ok] The present situation is totally different from that which prevailed a century ago in light of our enhanced independence. We can take initiative measures for the changing situation. Although we must carry out multisided diplomacy with all four neighboring powers, our security depends on the United States and Japan. We should remember this.

[Yi Yong-tok] Many people view that the keynote of our diplomacy should move from 'security' to 'economic affairs.' What is your plan on this?

[Yi Sang-ok] It is extremely simple logic to say that we should give priority to either of the two. One may be more important than the other. Because the concept of security is turning to a comprehensive concept that includes economic affairs, a comprehensive and balanced approach is needed.

[Yi Yong-tok] Demands for diplomacy must be increasing because our diplomacy becomes omni-directional. Are there any specifics in need of complements?

[Yi Sang-ok] A shortage of manpower is the most serious problem. Each section has only four or five employees.

In addition to the absolute shortage of personnel, we are short of professional manpower that each field requires in this age of specialization.

[Yi Yong-tok] You have brought about remarkable achievements by enabling the ROK to join the United Nations along with North Korea and by establishing diplomatic ties with China. What is your hope in the future?

[Yi Sang-ok] Throughout my 35-years as a diplomat, it is most memorable that I worked as foreign minister when the ROK joined the United Nations and when the ROK established diplomatic relations with China, both historic events. Our Foreign Ministry has accumulated various diplomatic experiences since the government was established in 1948 and is excellently fulfilling its duties now. I feel reassured of this.

Envoy to PRC Underlines Importance

SK2908090792 Seoul CHOSON ILBO in Korean 29 Aug 92 p 4

[Interview with No Chae-won, ROK charge d'affaires ad interim to China, by reporter Pak Sung-chun in Beijing on 28 August—first paragraph is introductory]

[Text] No Chae-won, ROK charge d'affaires ad interim to China, gave an interview to CHOSON ILBO on 28 August in Beijing. He said: "The establishment of diplomatic relations between the ROK and China is important in that, as a result of the establishment of diplomatic relations, the ROK now has diplomatic relations with all five permanent members of the UN Security Council." As the ROK and China established diplomatic relations, Ambassador No, who had served as chief of the ROK Trade Representative Office in Beijing, was appointed ROK charge d'affaires ad interim in Beijing on 27 August.

[Pak Sung-chun] What were difficulties facing us in negotiating diplomatic relations with China?

[No Chae-won] First of all, many issues were discussed during the negotiations, and there were issues on which we expected it to be difficult for the ROK and China to agree. To our surprise, the negotiations proceeded without any confrontation, however.

[Pak] During the negotiations, did China have different attitudes from Western countries"?

[No] Chinese diplomats and leaders have a way of thinking and an outlook on the world very different from ours. China's basic attitude in negotiations was different from attitudes which I witnessed when I was working as a diplomat in Japan, the United States, and Great Britain and as an ambassador in Iran, Kuwait, Canada, and other Western countries.

Therefore, I first had to learn Confucianism to assume an appropriate attitude in negotiations with China. I also had to try to make myself understood by understanding the basic attitude of Chinese officials. That is to say, we abandoned the Western-style approach. We did not assume a negative attitude toward their attitude, which is usually called a Chinese characteristic. We tried to find something in common in the two countries' interests and base the negotiations on this.

Here is an example. China said: "It is difficult for China to establish diplomatic relations with the ROK because North-South relations have been deadlocked." Then, we said: "The establishment of diplomatic relations between the ROK and China would give an impetus to the situation on the Korean peninsula." Consequently, China agreed on the establishment of diplomatic relations.

[Pak] Will the establishment of diplomatic relations between the ROK and China affect the order in Northeast Asia?

[No] I think that the cold war is still continuing in Northeast Asia. The ROK could not have established diplomatic relations with China without an independent outlook on the world and a new perception of the global situation. China had assumed a passive attitude in diplomacy, even though it is a permanent member of the UN Security Council. It has begun to assume a positive attitude in diplomacy, however.

In this respect, the establishment of diplomatic relations between the ROK and China is not an end but a beginning of new developments.

[Pak] Based on its economic might, Japan is strengthening its military might.

How will this influence the diplomatic relations between the ROK and China? Because of the establishment of diplomatic relations between the ROK and China, there are opinions that a structure will be formed to restrain Japan by uniting the ROK and China.

[No] It is true that we are worried Japan, based on its economic might, may move towards militarism or pursue supremacy by becoming a military power.

I do not think it is a situation yet in which it is necessary for the ROK and China to unite to deal with this matter, however. It is clear that Japan is currently not a hostile force, but we can say that if the ROK and China cooperate, Japan will be able to reduce measures to achieve economic and military supremacy. Also, it will be possible to guide Japan to turn its national efforts to a correct direction.

[Pak] What kind of moves do you think North Korea, especially the North Korean Embassy in Beijing, will take in the future?

[No] The Northeast Asian situation has changed because of the establishment of diplomatic relations between the ROK and China. Therefore, we are optimistic that North Korea will come forward and take some kind of action as a state.

North Korea will feel isolated temporarily because of the establishment of diplomatic relations between the ROK

and China. I believe that it will face reality soon and change its position, however.

[Pak] Through the establishment of diplomatic relations, China is recognizing two states on the Korean peninsula while adhering to its one China policy. Will this cause our nation to suffer any losses on the road to achieve reunification? Also will there be any change in China's basic position on the reunification of the Korean peninsula because it established diplomatic relations with us?

[No] As shown in the joint communique of the establishment of diplomatic relations between the ROK and China, there is no change in China's fundamental position that it hopes for peaceful reunification on the Korean peninsula. What must not be misunderstood here is that the issue of one China and two Koreas was not determined by China. Because the ROK and North Korea simultaneously established diplomatic relations with 100 other countries in the past, South and North Korea are admitting by themselves that there are two Koreas. The two Koreas were officially recognized by an international organization when South and North Korea simultaneously joined the United Nations in 1991.

Both Beijing and Taipei insist on one China, and most countries, including the United States, Europe, and Japan, are recognizing one China, actually recognizing Beijing as the only legitimate government. In other words, while the two Koreas have become an international issue, the issue of one China is an internal one. China and Taiwan have been saying that they are the masters, but except for the ROK most of the countries have recognized Beijing. Now the ROK has also followed the international trend.

[Pak] Regardless of denials by the diplomatic authorities of the ROK and China, there are views that the ROK will have to bear some economic burdens on the occasion of the ROK and China establishing diplomatic relations.

[No] Rumors of the so-called $2 billion loan stem from the slanderous scheme to block the establishment of diplomatic relations between the ROK and China.

Resource Cooperation Sought

SK2908020592 Seoul YONHAP in English 0110 GMT 29 Aug 92

[Text] Seoul, Aug. 29 (YONHAP)—South Korea will actively seek resources cooperation with China following the normalization of bilateral ties, the Energy and Resources Ministry said Saturday.

Two experts from the Korea Mining Promotion Corp. (KMPC) will go to China Sunday or Monday to conduct feasibility studies on mines recommended by the Chinese, Ministry officials said.

Ten officials from large business groups and state-invested institutions will also visit China in October for the same purpose, they said.

The ministry is to form a committee for bilateral resources cooperation, while tapping undeveloped mines in joint efforts by engineers from both sides.

China is the sixth largest oil producer in the world and is rich in coal, antimony, tungsten and vanadium. As it wants technology and capital, bilateral cooperation would prove lucrative for both countries, the officials said.

S&T Cooperation Agreement Planned

SK2808062592 Seoul CHOSON ILBO in Korean 26 Aug 92 p 12

[Text] As the ROK and China have established diplomatic relations, they will promote scientific and technological cooperation on a new level. China has 5,000 research institutes and 13 million scientists and technicians. It also has a strong foundation for basic sciences. Civilian exchanges have been brisk so far, and as the two countries have established diplomatic relations, those exchanges are likely to be upgraded to intergovernmental exchanges.

The Science and Technology Ministry expects a science and technology agreement to be signed during President No Tae-u's visit to China scheduled for October this year.

Last March, Science and Technology Minister Kim Chin-hyon visited China and held talks with Song Jian, minister of China's State Science and Technology Commission. They agreed on the need to sign a science and technology cooperation agreement. The Science and Technology Ministry is now holding discussions on the wording of the agreement with the Chinese. Also, the ministry has decided to send officials to China sometime next year to gather information and discuss cooperation projects.

The Korea Institute of Science and Technology signed six cooperation memoranda with Chinese institutes including the Chinese Academy of Sciences and the Policy Management Institute. Scientists from China's Institute of High Energy Physics participated in the construction of a radiation accelerator at Pohang University of Technology.

Also, the ROK's Atomic Energy Research Institute is helping China's Daya Bay nuclear power station in nondestructive testing and providing China with technological assistance in building the Qinshan nuclear power station. Inha University is conducting research on maritime resources in the Yellow Sea with China's Maritime Research Institute. In addition, the ROK's Ocean Research and Development Institute and the ROK Electric Power Corporation are now discussing with China how to conduct a feasibility study on tidal power generation.

Following the agreement to exchange scientists and technicians, a ROK delegation of Oriental medicine specialists visited China last June, and a Chinese policy survey team visited the ROK. The Science and Technology Ministry is now planning to send eight teams of specialists to discuss cooperation projects in cultural treasures, materials, precision chemistry, the sea, and the

environment to China. The two countries are also planning to conduct research on 38 cooperation projects, as agreed upon last March by the two countries' science and technology ministers.

The Science and Technology Ministry believes that the two countries have great potential for complementary cooperation because China is strong in space aviation, laser accelerators, new materials, and military technology and because the ROK is strong in semiconductors, communications, and atomic science. They are trying to find ways for multifaceted cooperation.

Tokyo Explains Emperor's Upcoming PRC Visit

SK3108094292 Seoul YONHAP in English 0842 GMT 31 Aug 92

[Text] Seoul, Aug. 31 (YONHAP)—The Japanese Government called on South Korean Ambassador O Chae-hui on Aug. 26 to explain the scheduled visit to China of Emperor Akihito, a Foreign Ministry official said Monday.

Vice Foreign Minister Hisashi Owada told O that Korea and China were on top of the emperor's agenda for visits, but he was going to China first since Tokyo and Beijing are to mark 20 years of diplomatic ties this year, said the official, speaking on condition he remain anonymous.

As Korea was busy with national events, such as the December presidential election, the emperor had to decide to visit Seoul at another time, O was told, the Korean official said.

DP's Yi Ki-taek Heads Delegation to Taiwan

Meets With Taiwanese Premier

SK2908054892 Seoul YONHAP in English 0502 GMT 29 Aug 92

[Text] Seoul, Aug. 29 (YONHAP)—Opposition Democratic Party [DP] co-leader Yi Ki-taek met Friday with the Taiwanese Prime Minister Hao Po-tsun and Foreign Minister Fredrick Chien to discuss the severance of Seoul-Taipei ties before winding up his official visit to Taiwan, a DP spokesman said Saturday.

"Normalization of Seoul-Beijing relations is unlikely to be helpful to the peaceful unification of the Korean peninsula as China will not abandon North Korea in support of South Korea," Hao was quoted as saying to Yi.

Yi asked Hao to protect Koreans from the disadvantages of a new Taiwanese law on employment.

"There will be no disadvantages for Korean nationals in Taiwan despite the regulations passed by parliament," Hao said.

Chien was reserved on the matter, however.

"An advanced decision will be possible when Seoul-Taipei ties are readjusted," he said.

Chien delivered his wish for reopening dialogue between Seoul and Taipei. The Korean Government had not expressed any intention to set up a new relationship nor had it made a direct offer, the minister said.

Yi will return home on Sunday afternoon.

Ends 5-Day Visit

SK3008100692 Seoul YONHAP in English 0915 GMT 30 Aug 92

[Text] Seoul, Aug. 30 (YONHAP)—Yi Ki-taek, co-head of the opposition Democratic Party [DP], and four DP solons returned home Sunday afternoon from their five-day visit to Taiwan.

In an airport arrival statement, Yi said, "the most important achievement made in the visit was to find out that it is possible to re-establish relations between our country and Taiwan and that the Taiwanese Government strongly wants this."

Pointing out that the proper re-establishment of ties between Seoul and Taipei is no less important than diplomatic normalization between Seoul and Beijing, the statement urged government authorities to make sincere efforts in this direction.

During their stay in Taipei, the DP officials broadly met Taiwanese Government and business leaders to discuss the aftermath of the recent Korea-China rapprochement.

The DP visitors, besides Yi, were DP supreme member Kim Chong-kil and Reps. Son Se-il, Cho Sun-song and Kim Won-ung.

Vietnamese Envoy on Ties, Impact of U.S. Sanctions

SK2908083592 Seoul CHUNGANG ILBO in Korean 28 Aug 92 p 2

[Interview with Nguyen Trung, Vietnamese ambassador to Thailand, by reporter Kim Chin-kuk—place and date not given; first two paragraphs introductory]

[Text] "The past can provide us experience, and yet what counts most is today and the future." Nguyen Trung, Vietnamese ambassador to Thailand, who arrived in Korea on 27 August at the invitation of the Ministry of Foreign Affairs, said the above about the participation of Korean troops in the Vietnam war, which is the most painful memory for the two countries, adding that he was voicing his own personal opinion.

Ambassador Trung was the behind-the-scenes facilitator in paving the way for negotiations on the establishment of ROK-Vietnamese diplomatic ties, with Chong Chu-nyon, former ROK ambassador to Thailand, in Thailand.

[Kim Chin-kuk] People know that you played an important role in negotiations to open the missions of the ROK and of Vietnam.

[Nguyen Trung] I met Ambassador Chong when I was in Thailand, thus contributing to the negotiations indirectly, not directly. Direct negotiations between the two countries occurred in Hanoi.

[Kim] I have heard that you arranged Ambassador Chong's visit to Hanoi.

[Trung] Yes, I did.

[Kim] Which country was the first to propose the establishment of diplomatic ties?

[Trung] It can be said that both sides saw the need for it.

[Kim] Are there any obstacles to establishing diplomatic ties between the two countries?

[Trung] No, I do not think there are any. The situation is developing. Following the opening of the liaison offices in the two countries, economic relations have been making rapid progress.

[Kim] U.S. economic sanctions are barring Western countries from venturing into Vietnam. When do you think these sanctions will be lifted?

[Trung] Many people say it will be sometime after the U.S. presidential election.

[Kim] Do you mean that the normalization of relations between Vietnam and the ROK can be realized before the end of this year?

[Trung] It is a bilateral issue between the two sides which has nothing to do with the U.S. economic sanctions against Vietnam. I do not think a third party can influence relations between the two countries.

[Kim] Do you think your country will establish diplomatic relations with the ROK after the U.S. sanctions are lifted?

[Trung] Yes, provided that everything goes as planned.

[Kim] The consortium of the Korea Oil Corporation is participating in bids to develop the Big Bear oilfield. What is your view on the bidding prospects?

[Trung] I do not have any detailed information. I hear that Korean companies approached the negotiations very actively and have made positive progress. My friends told me that Korean companies have the upper hand over the other competitors.

[Kim] Have you made any decision what to do about government-owned property both in the ROK and Vietnam?

[Trung] Diplomatic negotiations on this issue are under way. It will be settled in a way that satisfies both sides after the ROK and Vietnam have normalized relations.

[Kim] What is the best prospect for investment?

[Trung] Vietnam, with a population of 70 million, has abundant natural resources, and labor is cheap there. Therefore, it will be a market of great interest to the ROK. There are two options for the ROK: One is to enter joint ventures with Vietnamese companies producing goods that can replace imports in the Vietnamese domestic market; and the other is for Korean business firms to bring their own capital and technology into Vietnam's special economic zones to produce goods under completely self-regulating management, utilizing Vietnam's labor and natural resources, and all for export to third countries.

North-South Political Subcommittee To Meet 4 Sep

SK0109061992 Seoul YONHAP in English 0610 GMT 1 Sep 92

[Text] Seoul, Sept. 1 (YONHAP)—The chairmen of the Political Subcommittee of the South and North Korean Prime Ministerial talks will meet at Tongilgak, in the northern sector of Panmunjom, on Friday to discuss the adoption of an Auxiliary Agreement on reconciliation.

Southern chairman Yi Tong-bok accepted the proposal of northern chairman Paek Nam-chun when Paek made it in a telephone message on Monday.

Cambodia

Hun Sen Responds to Khmer Rouge Demands

BK3008115792 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 29 Aug 92

[News conference held by Hun Sen, chairman of the Council of Ministers of the State of Cambodia, for foreign and Cambodian reporters at Pochentong Airport in Phnom Penh on 29 August—recorded]

[Text] [Hun Sen] Ladies and gentlemen, this is really not a news conference but a meeting to clarify some points you might need to know. On this occasion I would like to tell you about some of our irritation and annoyance after having read newspapers and hearing through spokesmen [words indistinct] in the BANGKOK POST and THE NATION, which you may have already read. Commentaries were written about the Thai-Japanese-Khmer Rouge talks. All these have terribly worried and disturbed our side, which is in the process of fully implementing the Paris accord.

It is known that during the 10 months in which the Paris agreement has been in effect, the Khmer Rouge have done nothing and have even violated the agreement. As for us, a side implementing the agreement, we have almost become a victim of these talks with the Khmer Rouge. We have officially rejected anything that is not specified in the Paris accord. I would like to stress that Japan and Thailand do not have bad intentions; these countries are making efforts to break the deadlock.

However, they should know and understand that the Khmer Rouge will use these negotiations to demand what they want. The Khmer Rouge are using the negotiations to delay and refuse to abide by Phase Two of the cease-fire. However, I was greatly relieved this morning after hearing from the Japanese side that the reports by newspapers in Bangkok are not true. The Japanese side has not yet agreed with the Khmer Rouge's demand. Anyway, I would like to make clear that, whatever the compromise may be, we can never accept anything that is not stipulated in the Paris accord. We cannot satisfy the Khmer Rouge's desire by ruining the interests of the Cambodian people and the parties cooperating to implement the accord. Our official stance is that this is the time to implement the Paris agreement and not a time to negotiate a new agreement. It is a time for all parties involved in the agreement to implement it equally and simultaneously in order to ensure stability in the implementation process. And if the Khmer Rouge continue to reject implementation, a clear-cut position should be taken toward the Khmer Rouge. Otherwise, the continued process of implementation will face problems because there are parties that do much, those that do a little, and those (?that do not cooperate).

This is what I want to say and add about our reaction, however. We are now calm after hearing from the Japanese side that what was published in newspapers in Bangkok is not true.

[Indistinct question in unidentified foreign language, fading into Cambodian translation] What is the quality of your troops, those which have been cantoned and demobilized? Are they regular soldiers, regional troops, or those selected for demobilization?

[Hun Sen] It is known that we have three categories of troops: regular and regional troops, and militiamen. The latter have not been included for cantonment. We have agreed to demobilize 100 percent of militiamen. The troops to be demobilized are regular and regional troops, including district and provincial troops. One can understand that in the structure of an army, there are other things. Apart from infantry troops, we have auxiliary units, [words indistinct]. The cantonment and demobilization affect these units.

[Indistinct question in unidentified foreign language, fading into Cambodian translation] If the Khmer Rouge accept the proposal by Thailand and Japan for establishment of an administrative consultative body and UNTAC [UN Transitional Authority in Cambodia] also agrees that this is in conformity with the agreement, will you accept this?

[Hun Sen] Our firm position is that we will not accept anything that is not specified in the accord—that is, the setting up of a consultative body the structure of which would be similar to the SNC [Supreme National Council]. We are ready to examine working groups mentioned in the agreement but we will not agree to discuss things not mentioned in the agreement which some are trying now to include as part of the agreement. In my view, our objection is reasonable.

The Khmer Rouge oppose the Paris agreement and violate it. No one can do anything to the Khmer Rouge. If we object to things not stated in the Paris agreement, what will people do to us? I think what is (?urgent) now is implementation of all the clauses of the agreement. The Khmer Rouge have damaged other people's interests. A precedent should not be set for altering the agreement. I know many countries have no desire to add and organize anything outside this agreement.

[Indistinct question in unidentified foreign language, fading into Cambodian translation] You said if the Khmer Rouge refuse to abide by the agreement, appropriate measures should be taken against them. What are these appropriate measures?

[Hun Sen] I think economic or political sanctions will be suitable for the Khmer Rouge. The issue now facing us is how long should we delay implementing these kinds of measures if the Khmer Rouge refuse to implement the agreement and continue to violate it. It has now been 10 months since implementation of the agreement began. We do not have much time left. Should we let the entire

agreement be bogged down because of the Khmer Rouge or take measures against the Khmer Rouge in order to save the Paris agreement? If it is agreed that it should be left bogged down like this, what can we do? This is not my mandate. Now everyone must be waiting to see what will happen in New York.

[Indistinct question in unidentified foreign language, fading into Cambodian translation] Do you think it is possible to hold an election without Khmer Rouge participation?

[Hun Sen] I think this is one possibility and one which is realistic. Let us assume that the Khmer Rouge will not take part in implementation of the agreement. The alternatives are: either UNTAC indefinitely continues its presence or withdraws without an election in Cambodia. The extension of UNTAC's stay in Cambodia or the withdrawal without an election would be a great failure for the United Nations. Thus, we are left with the second alternative: an election without the Khmer Rouge's participation. There is no other choice. Otherwise, it would be the first alternative, UNTAC withdrawing without holding an election, or the extension of UNTAC's stay in Cambodia. Regarding the extension in Cambodia, I do not think taxpayers in many countries are happy with the idea of their governments spending money in Cambodia.

In our view, if the Khmer Rouge continue their opposition, elections should be held without them. We have no intention of discarding the Khmer Rouge but the Khmer Rouge have put themselves out of the peace process.

[Question indistinct]

[Hun Sen] I do not know about the report saying the Khmer Rouge are preparing to enter the second phase. However, there are reports that the Khmer Rouge will return to the groups in which they used to be involved; they had previously pulled out from committees, particularly the Mixed Military Working Group which they left a long time ago.

The Khmer Rouge return to the Mixed Military Working Group's meeting does not mean they consent to enter Phase Two of the cease-fire in any case. This is a Khmer Rouge trick which can be seen in two ways: first, this is to show that the Khmer Rouge have softened their attitude by returning to their place of work; and second, to maintain Khmer Rouge legitimacy at a time when the international community is preparing to take some measures against them. To determine whether the Khmer Rouge have softened or hardened their attitude, attention should not be paid to their agreement to attend meetings. What is important is whether the Khmer Rouge agree to enter the second phase and canton and demobilize troops; whether they agree to let UNTAC into the zones they control; and whether they agree to implement human rights and other clauses relating to implementation of the agreement. This is the yardstick against which Khmer Rouge intransigence or flexibility should be measured; it is not by the agreement to return or by words.

[Indistinct question in unidentified foreign language, fading into Cambodian translation] Prime Minister, which part of the proposal put forward by Thailand and Japan concerning the setting up of an administrative consultative body deviates from the Paris agreement?

[Hun Sen] I ask that you examine the agreement itself. Where does it say this? I have compared the proposal put forward by Thailand and Japan with the Paris agreement. I was the one negotiating this agreement; I was one of the main players negotiating this agreeemnt. Only those who have recently followed this agreement find it difficult. I find it hard to explain this. Please compare this proposal with the Paris accord yourselves.

[Indistinct question in unidentified foreign language, fading into Cambodian translation] Prime Minister, do you think Thailand and Japan are trying to persuade the Khmer Rouge to return to the second phase of the agreement?

[Hun Sen] As I said before, Japan and Thailand have good intentions. I am very pleased with any activities aimed at breaking the impasse, but one should not do anything that deviates from the Paris accord. No present should be offered to the Khmer Rouge to the point of creating danger for the Cambodian people and other parties that are cooperating with UNTAC to implement the agreement. In this sense, I have not allowed the Khmer Rouge to use the so- called negotiations to prolong the cease-fire's second phase because we are in the period of implementing the agreement and not negotiating a new agreement.

The implementation period is so called because it has a fixed schedule specifying what is to be done in each phase. The timeframe is not open-ended. To be frank, I am worried that we are now heading toward an impasse in the event no clear-cut position is adopted toward the Khmer Rouge.

[Indistinct question in unidentified foreign language, fading into Cambodian translation] Have you thought about setting the time for imposing sanctions?

[Hun Sen] This is not my mandate. However, I have thought about that. My idea is that time will run out this September. It will not be later than this; otherwise, the parties cooperating to implement the agreement will harden their stance in preparation for opposing the Khmer Rouge. The Khmer Rouge are not implementing the agreement; they are also violating it. This means that they can do whatever they want without being punished by the international community. At that time, the parties cooperating with UNTAC will run out of patience and find their own measures to oppose the Khmer Rouge. At that time, UNTAC will find it difficult to control the situation.

In a political solution, UNTAC should be neutral. If UNTAC is going to carry out supervision, it should do so on all sides. It cannot control just one side and leave others. It now seems that the hands of one side are tied while the other side is free to do everything at will. I would like to ask this: How long can the person with his

hands tied take this in the event no resolute attitude has been adopted toward those who violate the agreement?

[Indistinct question in unidentified foreign language, fading into Cambodian translation] What do you think of this view that the Khmer Rouge are changing strategy, being flexible, and agree with the proposal put forward by Japan and Thailand in order to put the State of Cambodia side on the defensive?

[Hun Sen] I do not believe that I will fall in a defensive position because the Paris accord has already protected me; it is also a fence protecting me. We are only opposing what is outside the agreement. Why can we not do this? The Khmer Rouge have violated the agreement; nothing was done to them. Why can we not oppose what is not stated in the agreement? If we cannot object, where is freedom, human rights, political freedom, and freedom of political parties? Those who should be punished are the Khmer Rouge and not us. If we, the ones implementing the agreement, are punished, I think no one will want to implement it any more. [words indistinct] to violate the agreement.

[Indistinct question in unidentified foreign language, fading into Cambodian translation] What do you think about the (?accusation) by the Khmer Rouge and other parties that UNTAC has not deployed enough control staff inside your government's key establishments?

[Hun Sen] It is we who should talk about this because UNTAC has overplaced its people on our side to control our administration, while there is no control over the other side's administration. As for the Khmer Rouge, there is no control whatsoever. Just a bamboo pole and a soldier can stop His Excellency Yasushi Akashi. Why should people be upset with our side? They ought to pay more attention to the other side's areas.

The same goes for financial control. UNTAC has already checked our accounts. Has UNTAC checked the other side's accounts? This should clearly be checked. This is also an issue which we raised at the SNC meeting on 24 August. Other sides have called on UNTAC to check us while all of them have gotten away. As for the Khmer Rouge, they demand that pressure be put and control carried out over my administration through establishment of the consultative committee within our structure. Thus, our structure has been under pressure and subject to control. Demands have been made for UNTAC to carry out all kinds of control on us while the other side has refused to let UNTAC even walk in its zones. This is not fair implementation of the agreement; it is not equal. Freedom is demanded only in our zone while freedom is not granted to other political parties in the other side's zones. This is not a political solution. I do not think UNTAC will play the Khmer Rouge game. UNTAC should be neutral and treat all sides equally. This is the principle we must have.

Ranariddh Comments on Election of Head of State

BK3108134092 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 31 Aug 92

[Address by Prince Norodom Ranariddh, chairman of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia (FUNCIPEC) and member of the Cambodian Supreme National Council [SNC], at the SNC meeting in Phnom Penh on 24 August—read by announcer]

[Text] First of all, in accordance with Article 1, Chapter 1 of the Paris peace agreement on Cambodia, may I be allowed to recall that the transitional period starts from the time this agreement goes into effect and ends after a constituent assembly has been elected by a free and fair election organized and certified by the United Nations, and after this assembly has adopted a constitution and become the legislative assembly, with a new government established afterward.

The principle of power sharing requires that each power be independent from the others. Based on this principle, the entire executive power must be set up and cannot be separated. In other words, the head of state and the government must be present in this transitional period. Therefore, during the transitional period it is most necessary that not only the constituent assembly be elected, but that the head of state also be elected.

May I recall that at its 26 May 1992 session the SNC raised issues relating to the election to choose the head of state and stressed that during the transitional period this election should be held at the same time as the election to choose the constituent assembly. The election to choose the head of state in Cambodia is of greatest importance because this country's political stability, independence, continuity of state affairs, and so on—which is the goal of the Paris agreement—depends on the presence of a head of state to be chosen through a general and direct election. This election is the foundation of genuine democracy.

I would like to propose that this election to choose the head of state be held, at the latest, at the same time as the election to choose the constituent assembly, if not earlier. This is a factor showing that Cambodia should simultaneously have a constituent assembly and a head of state. This head of state would promulgate the constitution adopted by the constituent assembly. The result of this election must absolutely be abided by and implemented throughout the whole of Cambodia by everyone, including various Cambodian political parties and the people.

Finally, the presence of the Cambodian head of state during the transitional period is most important in the peace process to ensure stability. The policy and legitimacy of the legislative and executive bodies is also most important because during the transitional period the constituent assembly drafts the constitution while the head of state, who is directly chosen by the people, represents the sovereignty and continuity of the state. It is the head of state who has the power to nominate the

prime minister. Furthermore, without a head of state, which institution promulgates the constitution adopted by the constituent assembly?

It should be stressed that during the transitional period the election to choose the head of state will be considered valid when it is organized and controlled by UNTAC [the UN Transitional Authority in Cambodia] in close cooperation with the SNC.

Finally, may I be allowed to stress that FUNCINPEC has already proposed that the Cambodian head of state be chosen through a general and direct election and that FUNCINPEC pledges to unreservedly support the candidacy of His Royal Highness Prince Norodom Sihanouk in this election.

Son Sann Says Viet Settlers 'Jeopardize' Polls

BK2908083592 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 29 Aug 92

[Text] His Excellency [H.E.] Son Sann, chairman of both the Khmer People's National Liberation Front [KPNLF] and Buddhist Liberal Democratic Party [BLDP] and member of the Supreme National Council [SNC], said in Phnom Penh yesterday that the presence of overwhelming number of illegal Vietnamese nationals in Cambodia could jeopardize general and free elections in the country scheduled for May 1993.

The Chinese press agency XINHUA quoted H.E. Son Sann as saying in an interview in Phnom Penh that the results of the general elections in May next year might be unfair if there were still Vietnamese nationals living in Cambodia. H.E. Son Sann also commented on a proposal of the Party of Democratic Kampuchea which states that the United Nations has to meticulously verify the withdrawal of Vietnamese troops from Cambodia; enhance the role of the SNC, which represents the Cambodian nation's sovereignty; and dismantle the Vietnamese-installed Phnom Penh regime.

H.E. Son Sann pointed out that all Cambodian issues could be solved should His Royal Highness [HRH] Prince Norodom Sihanouk, head of state and SNC chairman, be provided with full and real power. He added that HRH Prince Norodom Sihanouk could solve all important problems facing Cambodia and effectively lead the SNC to cooperate with the UN Transitional Authority in Cambodia if he had real power.

Phnom Penh Blamed for Peace Process Deadlock

BK2908095692 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 29 Aug 92

[Text] The Vietnamese-installed Phnom Penh regime rejected the Japanese-Thai proposal to end the impasse in the Cambodian peace process. Observers held that it is the Phnom Penh regime, which wants to persistently stay in power, that has caused the deadlock.

The Party of Democratic Kampuchea [PDK] has put forth a proposal calling for the setting up of an Administrative Consultative Body [ACB] made up of delegates from all the four Cambodian parties and a representative of UNTAC [UN Transitional Authority in Cambodia] to assist the Supreme National Council [SNC] and UNTAC in the administration of the country. In making decisions, the ACB will be helped by a number of consultative committees which should be installed in the heart of the structure of the Vietnamese-installed Phnom Penh regime and all the decisions should be presented to SNC for actions.

The PDK's proposal is being discussed and studied by the Thai and Japanese sides in Bangkok. However in principle, the PDK's proposal and that of Japan are identical. The proposal on establishing the ACB was reportedly initiated by Japan, a major cash donor in the UNTAC operation and reconstruction of Cambodia.

Hor Namhong—a former Khmer Rouge—who is the incumbent foreign minister of the Vietnamese-installed regime, said the regime can never accept such conditions. Observers said that it is the ambition to keep the Phnom Penh leadership in power that has opposed the spirit of the 23 October 1991 accord, thus resulting in the present impasse. The observers added that the PDK's demand for delegating power to UNTAC is a concrete test which shows that the Phnom Penh regime is trying with all possible means to maintain its influence over the Cambodian people, thereby further preserving the Vietnamese-installed authority.

Sihanouk Leaves To Attend Nonaligned Summit

BK2908091892 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 29 Aug 92

[Text] On 0700 on 29 August 1992, His Royal Highness Prince Norodom Sihanouk, head of state and chairman of the Cambodian Supreme National Council [SNC], and his royal consort left Cambodia on a special plane of the State of Cambodia to attend the Nonaligned Movement conference to be held in Jakarta next week.

Accompanying the prince were excellencies SNC members representing the State of Cambodia side including His Excellency [H.E.] Hor Namhong, State of Cambodia's foreign minister; H.E. Dit Munti, information minister; and H.E. Im Chhunlim, education minister.

Seeing the delegation off at Pochentong Airport were H.E. Heng Samrin, honorary chairman of the Cambodian People's Party [CPP] and chairman of the State of Cambodia's Council of State; H.E. Chea Sim, chairman of the CPP Central Committee and chairman of both the National Assembly and the Kampuchean United Front for National Construction and Defense; H.E. Hun Sen, vice chairman of the CPP Central Committee and chairman of the Council of Ministers; and their excellencies members of the Standing Committee of the CPP Central Committee, including H.E. Bou Thang; H.E.

Chea Soth; H.E. General Tie Banh, vice chairman of the Council of Ministers and defense minister; Prince Norodom Chakkrapong, vice chairman of the Council of Ministers; H.E. Kong Sam-ol, vice chairman of the Council of Ministers; H.E. Mat Ly, vice chairman of the National Assembly and vice chairman of the CCP Central Committee's Control Commission; H.E. Nguon Nhel, agriculture minister; H.E. Gen. Pol Saroeun, deputy defense minister and chief of the Cambodian People's Army [CPA] General Staff; H.E. Gen. Ke Kimyan, first deputy defense minister and chief of the CPA's General Political Department; leading officials of the State of Cambodia; representatives of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party and the Khmer People's National Liberation Front; cadres and employees; and a multitude of people and ethnic groups in Phnom Penh.

H.E. Akashi, UNTAC [UN Transitional Authority in Cambodia] chief; representatives of the permanent members of the UN Security Council; their excellencies ambassadors; and representatives of various countries accredited to Cambodia were also present.

Philippines

NAFTA Feared To Affect Inflow of Investments

HK3108061792 Manila Far East Broadcasting Company in Tagalog 0100 GMT 31 Aug 92

[Text] Foreign Secretary Roberto Romulo has warned against the effects on the Philippines of the North American Free Trade Agreement [NAFTA]. He said the agreement will hurt the Philippines in terms of new investments and not in terms of trade, although the Americans said the restriction on investments will only be short term. In a meeting on the NAFTA, Romulo said investments that would have gone to the Philippines and other parts of the Asia-Pacific region could decline drastically. NAFTA includes Canada, the United States, and Mexico. Romulo said that because of NAFTA, all new investments could go to Mexico, including those of transnational corporations. As a result, trade officials in Southeast Asia are talking of a trading bloc as a countermeasure to NAFTA. Southeast Asian leaders said the Southeast Asian trading agreement could include Australia, New Zealand and members of the Association of Southeast Asian Nations.

Foreign Secretary To Attend Nonaligned Summit

HK0109055292 Manila BUSINESS WORLD in English 1 Sep 92 p 12

[By Jose G. Ebro]

[Text] Foreign Secretary Roberto Romulo departs tomorrow for Jakarta to attend the Non-Aligned Movement [NAM] meeting, during which the Philippines is to be accepted as a full member.

The end of the Cold War has cast the NAM as an organization in search of a new raison d'etre, but Mr. Romulo believes it provides an excellent venue for coordinating and focusing developing countries' objectives.

The Philippine foreign secretary, who discussed NAM's prospects with current NAM chairman Indonesian Foreign Minister Ali Alatas just last week, told Business World that "the Philippine perception is that NAM should point itself more toward economic dialogue on a south-south basis."

"My hope is that we can come up with constructive solutions from the perspective of developing countries which we would then give as a form of constructive engagement with the north," he said yesterday.

The country's creditors, the US and Japan, are concerned that the Philippines could impart a more debt relief-oriented spin to the NAM proceedings.

Mr. Romulo, while admitting "debt is certainly one of the topics we should be discussing," sought to allay fears that developing countries could band together and declare unilaterally a massive debt write-off. "The Philippine position continues to be that any act on debt should have the concurrence of the creditors," he maintained.

The foreign secretary believed that the issue of the Asia-Pacific Economic Cooperation secretariat would be resolved in the "corridors" during the NAM meeting. Thailand, Singapore and Jakarta have offered their capitals.

Exploratory Talks With Communists Begin

HK3108072792 Manila MANILA BULLETIN in English 31 Aug 92 p 1

[Text] Informal but official exploratory peace talks between the Philippine government and the National Democratic Front (NDF) to put an end to the communist insurgency began on a positive note yesterday in The Hague in the Netherlands with both panels agreeing on a four-point agenda.

Horacio Morales Jr. of the government panel confirmed that Rep. [Representative] Jose Yap and NDF founder Luis Jalandoni agreed on the formation of negotiating panel, ground rules for negotiations, continuation of the discussion on human rights and international humanitarian laws which the government and the NDF started in Hong Kong last year, and response of the NDF to amnesty program of the Ramos administration. Morales said that the success of the exploratory talks could lead to full-blown formal talks.

While there has been no formal announcement on the composition of both panels, the NDF side is expected to be made up of Jalandoni, Byron Bocar, and Connie Ledesma-Jalandoni.

The government side, on the other hand, is expected to be composed of Yap, Philippine National Police deputy

director general Gerardo Flores, Armed Forces intelligence chief Brig. Gen. Alfredo Filler, and Justice Undersecretary Teresita de Castro.

Also tapped as adviser to Yap were former NDF legal counsel Romeo Capulong and Bernabe Buscayno, former New People's Army chief- turned-cooperatives organizer. The opening ceremonies of the three-day meeting today will be held at the Institute for International Relations.

The Hague, after Hong Kong and Brussels, is the third venue for exploratory peace talks between the NDF and the government since the collapse of formal peace talks between the two parties in 1986.

Communists Demand UN Oversight

HK0109055192 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 1 Sep 92

[Text] The National Democratic Front [NDF] is prepared to talk peace with the government only if the talks are presided by the UN or the European Parliament and held outside the Philippines. This statement was made by Luis Jalandoni, chief NDF negotiator, during the exploratory talks in The Hague, Netherlands.

Both government and NDF negotiators said they were prepared to reduce the number of issues they disagree on.

Congressmen Jose Yap [government negotiator] said that although the views of both negotiating parties differ, nonetheless, they do not hinder the talks.

Jalandoni noted that there have been changes in the government, positive indications of its willingness to conduct negotiations. However, Jalandoni still insists that the government release 600 political detainees as proof of its sincerity.

NDF Leader Ocampo Released From Detention

HK0109100392 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 1 Sep 92

[By Angelo Palmones and Joe Capadocia]

[Text] At 1445 this afternoon, Satur Ocampo [National Democratic Front leader] left his detention cell in Fort Bonifacio, Makati. We have tried to contact him since this morning but the telephone line has been cut. Hopefully, he will be interviewed by [DZXL announcer] Ducky Paredes one of these days.

Judge Tirso Velasco signed papers to release Ocampo, who had been detained for a few years. Ocampo will be put in the custody of Senator Bobby [Wigberto] Tanada. We understand that Ocampo and Tanada will meet later this afternoon. Maybe after this our colleague Paul Velasco will be able to file a follow-up report.

Ocampo was released, along with wife Carolina Boby Malay, on the basis of an order of joint manifestation filed by Public Prosecutor Colonel Virgilio Sabijano, Assistant City Prosecutor Antonio de los Reyes, and Defense Counsel Arnold Sanidad. The release order was in recognition of the directive of President Fidel V. Ramos as part of his peace initiative.

No bail was demanded for Ocampo's release. Earlier, Attorney Sanidad promised to produce Ocampo in other courts' public hearings on his remaining cases, such as kidnapping with serious illegal detention.

The couple left the detention area of Fort Bonifacio in their pickup, and were bound for their home at Heroes' Hill, Quezon City. They will later appear at a news conference at the National Press Club, where they are former members.

Abadia Presents 16 Released Military Rebels

HK2908011292 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 28 Aug 92

[Text] General Lisandro Abadia, Armed Forces of the Philippines commander in chief, presented before the public this afternoon the recently released military rebels who had been detained in various military camps. Abadia introduced all 16 rightist rebels, headed by renegade Lieutenant Colonel Oscar Canlas. Here is Jim Belosano with the details:

[Begin Belosano recording] General Abadia said the first group of detainees, consisting of nine officials from the Philippine Army, will be placed under the supervision of their major service commander, Lieutenant General Arturo Enrile. Members of the first group included Army Colonel Luisito Sanchez, Lieutenant Colonel Ericson Aurelio, Major Roger Alensus, Major Leoncio Valencia, Captain Felix Calima, Captain Jaime Junio, and Scout Ranger Captain Danilo Lim.

The second group, made up of seven military officials, will be placed under the supervision of their respective lawyers. The second group consisted of Air Force Colonel Oscar Canlas, Lieutenant Colonel Domingo Bayan, Major Crispin Delarcag, Major Benjamin Rome, Captain Jesus Sampon, Captain Rodolfo Moral, and Air Man First Class Cirilo Romantico. [end recording]

Ramos Appoints New Environment Secretary

HK3108061692 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 30 Aug 92

[Text] President Fidel V. Ramos has appointed marine ecologist Angel Alcala as the new secretary of the Department of Environment and Natural Resources [DENR]. Alcala is well-known for initiating projects to save the country's coral reefs. The new secretary is currently the president of the Soliman University in Dumaguete [Negros Oriental] and is the deputy executive director of the Philippine Council for Aquatic and Marine Research and Development.

However, according to presidential spokesperson Annabel Abaya, Ricardo Umali will remain as DENR undersecretary.

Thailand

Government Withdraws Diplomats From Belgrade

BK0109024792 Bangkok THE NATION in English 1 Sep 92 p A2

[Text] Thailand yesterday withdrew its diplomats from the Serbian city of Belgrade because the situation in the country and in neighbouring Bosnia-Hercegovina are becoming worse, said Foreign Ministry Deputy Spokesman Rawi Hongprapat.

Rawi said there were five diplomatic officials at the Thai Embassy in Belgrade, including the ambassador who is to resign next month.

He explained that Thailand had had diplomatic ties with the former Yugoslavia, but it had yet to establish diplomatic ties with Serbia and Montenegro.

Therefore the withdrawal of the diplomats does not indicate the cancellation of bilateral relations, he said.

Rawi added the officials are now working out measures to evacuate the Thai nationals still living in the countries if the situation worsens. There are 23 Thais in Serbia, three in Slovenia and one in Croatia. There is some evidence that ethnic cleansing may be imminent in certain parts of Serbia and Montenegro where there are large non-Serbian communities.

Government Position on Khmer Rouge Viewed

BK2908123792 Bangkok SIAM RAT in Thai 29 Aug 92 p 3

[Editorial: "Thailand and the Problem of Cambodia"]

[Text] Thailand and Japan held a second meeting in Bangkok to solve the deadlock in the implementation of the Cambodian peace plan. The meeting, the second of its kind in one week, was attended by representatives of the Khmer Rouge and the Supreme National Council [SNC] of Cambodia.

The meeting studied the Thai-Japanese proposal and the new proposal from the Khmer Rouge aimed at strengthening the SNC, represented by the four Cambodian factions, during the run-up to the elections in Cambodia next April.

Reportedly, the Khmer Rouge accepted the Thai-Japanese proposal for an establishment of an Administrative Consultative Body, or ACB, to operate on behalf of the SNC in civil administration, covering areas such as foreign affairs, national defense, finance, public security, information, and the police force. ACB units will be set up for operations at various locations throughout Cambodia.

The ACB will be composed of representatives of the four Cambodian factions, the United Nations Transitional Authority in Cambodia [UNTAC], and the "Permanent Five Plus" countries which are: Australia, China, France, Indonesia, Japan, Russia, Thailand, the United Kingdom, and the United States. Details of this will be discussed later on.

The Khmer Rouge later on announced that it would cooperate with UNTAC under agreements reached by the four Cambodian factions in Paris last October.

For more than two months, the Khmer Rouge had boycotted Phase Two of the UN peace plan when all parties were required to implement disarmament and demobilisation in areas fixed by the United Nations. The Khmer Rouge made several conditions for implementation of Phase Two which are unacceptable to UNTAC. Western countries wanted economic sanctions against the Khmer Rouge should it continue to block the peace plan. Thailand was also accused of not really trying to solve the problem.

We have noted that, ever since it assumed transitional administrative function in Cambodia, the United Nations has made several decisions which went in favor of the Phnom Penh government to the disadvantage of other Cambodian factions, especially the Khmer Rouge. The prejudice is based on the past charges against the Khmer Rouge concerning its atrocities and mass massacres of people in Cambodia. Such discrimination has sparked off opposition to UN missions by other Cambodian groups, especially the Khmer Rouge.

The attempt by Thailand and Japan to solve the problem involving the Khmer Rouge is considered a major step in breaking the impasse in the Cambodian peace plan. Yet we believe more problems will come up if the United Nations continues its discriminatory approach. Owing to its closeness with the Khmer Rouge in the past and the interests given of the Thai private sector, Thailand could be accused of indirectly supporting the Khmer Rouge's attempt to block the peace plan again despite the fact that Thailand totally desires peace for its neighbor.

Australia Seeks Preferences in Services Trade

BK0109030392 Bangkok BANGKOK POST in English 1 Sep 92 pp 17, 26

[Text] Australia has asked for its investors and businesses to be given the same rights in Thailand as Americans enjoy under the 1966 Thai-US Amity and Economic Relations Treaty, Thai officials say.

The request was made last Thursday at a meeting on services trade liberalisation in Bangkok but was not immediately disclosed. The Australian delegation also urged Thailand to liberalise its finance, insurance and telecommunications sectors.

Yesterday, a second round of talks was held, on liberalising trade in goods. Thai officials are said to have

promised to offer within the next two weeks cuts in import barriers on agricultural products. Australia is particularly keen to see its breakfast cereals and dairy products face lower import duties in Thailand

The Thai-Australian talks on improving market access for trade in goods and services are part of the Uruguay Round of world trade talks. Although the Uruguay Round is a multilateral negotiation, one of the means used to reach agreement on lowering trade barriers is a series of bilateral talks on sectors that are of particular interest to each participating country.

Australian officials said yesterday that in addition to requesting equal treatment from Thailand, their government also objected strongly to US officials' suggestion that Thailand could seek special exemption for the Amity Treaty from proposed non-discrimination rules being negotiated for services sectors in the Uruguay Round.

The Australian request lengthens the list of countries seeking equal treatment with the Americans. Previous requests came from the European Community and Japan, and all were made within the framework of the Uruguay Round.

Deputy Commerce Permanent Secretary Suchai Chaowisit, who headed the Thai delegation at last week's talks, said Thailand cannot extend the provisions of the Amity Treaty to so many countries and therefore the Treaty should be terminated. He said the Foreign Ministry is studying the possibility.

A proposed General Agreement on Trade in Services (GATS) that has been drafted under the Uruguay Round would require countries to give equal treatment to their foreign trading partners, for example in granting rights to engage in professional services or to own subsidiaries.

The Thai-US Amity Treaty exempts Americans from many provisions of the Aliens Business Law that normally imposes restrictions on foreigners doing business in Thailand. A "most favoured nation" (non-discrimination) provision in GATS would require Thailand to extend the same rights to other countries or scrap the treaty.

US officials have suggested that if neither option is acceptable, Thailand could negotiate a special exemption so that the treaty's provisions do not have to comply with GATS' "most favoured nation" principle.

The United States has also said it will not apply the principle to a number of services sectors unless a significant number of countries agree to liberalise. Washington is reluctant to open up its services markets indiscriminately when many of the countries benefiting from the liberalisation refuse to open up their own markets.

This US insistence on the right to discriminate between trading partners in services trade has aroused a chorus of objections and threatened to seriously disrupt the Uruguay Round.

Australian officials yesterday joined in the objections to Washington's position.

One Australian official played down the request for Australians to enjoy the same rights in Thailand as Americans. "I think 'request' would be too strong a word," he said.

In last week's talks, the Australia delegation is said to have sympathised with Thailand's argument that liberalisation of banking, insurance and other financial markets, and telecommunications, would take time. Mr Suchai is said to have suggested a period of 10-15 years.

The Australians, led by Don Kenyon, a senior official in the Deparment of Foreign Affairs and Trade are said to have urged Thailand grant all signatories to GATS equal treatment when these sectors are liberalised.

Australian officials described yesterday's talks on goods more as a exchange of information than a bargaining session. The Thai delegation led by Business Economics Department director general Sukhon Kanchanalai, presented a list of goods whose import duties Thailand is proposing to cut.

The head of yesterday's Australian delegation was Rod Hall, also from the Department of Foreign Affairs and Trade.

Offer-and-request tariff negotiations have been central to the eight rounds of talks since World War II that have been held under the auspices of the General Agreement on Tariffs and Trade (GATT), the world's trade watchdog. The substantial cuts in import duty rates that have been achieved are seen as an important reason for the rapid post-war growth of world trade and the world economy.

The services negotiations in the current (Uruguay) round are in three parts: drafting an umbrella GATS agreement; drafting special principles for particular sectors such as banking, telecommunications, tourism and construction, and offer-and-request bargaining between pairs of participating countries who would commit themselves to liberalise specific sectors according to the agreed principles.

Tariff and services agreements would only be binding if the entire 15-subject package of the Uruguay Round is agreed. The round is currently deadlocked on agriculture.

Vietnam

Vo Chi Cong Departs for Nonaligned Summit

BK3108145892 Hanoi VNA in English 1435 GMT 31 Aug 92

[Text] Hanoi VNA August 31—A delegation of the Vietnamese state led by State Council President Vo Chi Cong today left for Jakarta to attend the 10th summit of the Non-Aligned Movement. The president is accompanied by Foreign Minister Nguyen Manh Cam.

Fluorishing Trade Ties With Malaysia Viewed

BK0109024592 Bangkok BANGKOK POST in English 1 Sep 92 p 26

[Text] Vietnam and Malaysia are mutual favourites. To illustrate the point, a Thai businessman recently almost lost a pharmaceutical production project he had been chasing in Vietnam for a few years. The Vietnamese authorities received a proposal for a similar project from a Malaysian company and felt obliged to treat the Malaysians favourably.

"If it was not for our company's record of sincere business here, we would have been edged out," said the businessman. After years in Vietnam, he can now detect that Vietnam strongly favours Malaysia.

Indeed, Malaysia has outpaced other ASEAN members in winning over Vietnam. Thailand is not so favoured because of its efforts to isolate and apply pressure on Vietnam to withdraw from Cambodia throughout the 1980s.

Through rapport at leadership level, which has motivated the Malaysian private sector to check out opportunities in Vietnam, the two countries have found the chemistry Vietnam wants to have with nations in the region.

On August 11, Malaysia and Vietnam signed a sweeping agreement in Kuala Lumpur, giving one another most-favoured nation treatment.

It replaces trade pacts between the two governments and businessmen which were signed after the nations' leaders agreed, in April, on economic cooperation. The new agreement also calls for diversification of products traded between the countries and the establishment of a joint trade committee to solve bilateral issues.

Vietnamese officials also note the quick pace at which their country and Malaysia moved to agree on joint oil exploration in the Gulf of Thailand where their territorial waters overlap. The agreement was concluded in one round of talks over three days in June.

The two countries are planning to hold their first round of talks for an agreement on the avoidance of double taxation. So far Vietnam has such an agreement with Australia and finished its first round of negotiations with Thailand between August 11-14 in Hanoi after which both sides "agreed to have the next round of negotiations as soon as possible".

The achievements on the political-economic front between Vietnam and Malaysia are substantial and range widely from Malaysia's technical help in the rubber industry to management expertise.

"Initially, the relationship was not that fantastic between Vietnam and Malaysia," Hanoi-based Malaysian banker Chan Kok Choy of the VID Public Bank recently said in an interview.

Malaysian Prime Minister Mahathir Mohamed plays a direct role in pushing for the rapid succession of activities that have catapulted ties with Vietnam to new heights.

Dr Mahathir holds regular discussions with Malaysian businessmen to follow up developments in Malaysian-Vietnamese ties. Such exchanges have intensified in just one year.

"The stimulation comes from the top down. At the same time, the businessmen see a lot of opportunities here. In short, they are here not just to please the Premier—they themselves see plenty of potential. Of course, before the eye-opening experiences here, they had heard diverse assessments of Vietnam," Mr Chan said.

The VID Public Bank is a joint venture between Vietnam's Bank for Investment and Development and Malaysia's third largest Public Bank. While leading a high level delegation to Vietnam in April, Dr Mahathir inaugurated the Hanoi offices of the VID Public Bank and of Renong Holdings which has close ties with Malaysia's ruling party, UMNO [United Malays National Organisation].

The improvement in the political aspects of relations—there is no traditional animosity or rivalry between Malaysia and Vietnam unlike between Thailand and Vietnam—have been matched by equally keen responses, from the Malaysian business sector.

According to Mr Chan, Vietnam is now ranked the most popular choice among Malaysian businessmen who think of venturing abroad, heeding Dr Mahathir's call to "Look Beyond Malaysia." It's just a matter of a "push" from the Government being matched with businessmen's acumen.

"It can be quite lonely for businessmen to venture here without government backing," Mr Chan said, adding that Malaysian businessmen feel secure about being in Vietnam because of the rapport at leadership level.

Malaysia's International Trade and Industry Minister Rafidah Aziz has played an active role in cementing ties with Vietnam. Mrs Rafidah has been to Vietnam several times on official and private visits.

"Instead of holidaying elsewhere, you can come here for holiday and do a little business as well and that enhances the relationship because even if you're on holiday you can still call on senior officials. That certainly adds to the goodwill," Mr Chan said.

Malaysian businessmen have invested US$78.7 million in Vietnam, according to Vietnamese officials.

But with a prod from the Government coupled with domestic constraints such as rising production costs and labour shortages in Malaysia, several major Malaysian companies are seriously exploring investment opportunities in Vietnam.

"Seeing long-term prospects they have come here to make their point that they are willing to invest here if there are favourable conditions—and these companies are known to be very respectable in Malaysia," Mr Chan said.

"I think that in the next few years you will see a substantial increase in Malaysian investment in Vietnam. In fact, not only Malaysian but others' investment as well," he said.

French Cultural Official Seeks Cooperation

BK3108102392 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 23 Aug 92

[Interview with Mrs. Catherine Tasca, French secretary of state in charge of the French-speaking communities and relations with foreign countries, by unidentified Voice of Vietnam correspondent in Hanoi on 23 August; recorded in French fading into Vietnamese translation]

[Summary] [Correspondent] It is our hope that your visit to Vietnam this time will contribute to further consolidating the cultural ties between Vietnam and France. Would you please tell us more about the objectives of your visit?

[Catherine Tasca] The objectives of our visit this time are to find ways to consolidate bilateral cooperation in the cultural domain, especially in dissemination of the French language. This cooperation will be effected through two main channels.

First, the French language and the quintessence of France's culture and other cultural heritages of the French-speaking communities will be disseminated through radio and television broadcasts, as well as through the activities of French cultural centers in Vietnam and the cultural exchanges between the two countries. To concretize this cooperation, we have had working sessions with the various Vietnamese agencies concerned and the Voice of Vietnam editorial staff.

The second channel rests with our commitment to assist Vietnam's efforts to provide special training to cadres in charge of cultural, educational, or technological activities. This is a very important task because it could help with dissemination of the cultural heritage of the French-speaking communities. As far as the second channel is concerned, it is necessary to reach agreements providing guidance over the implementation of long-term projects.

[Correspondent] Would you please tell us about the prospects for dissemination of the French language in the world in general, and in Asia in particular?

[Catherine Tasca] The latest summit of the French-speaking countries in Charlottetown has marked a major step in development of the French-speaking communities. So far 47 countries have joined the French-speaking world. French has become the second most important foreign language in the world. As far as Vietnam is concerned, for a long time now the French-speaking community here has made positive contributions to a common cause. The prospects for the French language are very bright. Once it is disseminated in Vietnam, French will serve not only as a language vehicle but also as a tool to gain access to information about the cultural values and socioeconomic achievements of the French-speaking communities. This is especially true for the young generations in Vietnam. The reason is because once they master the French language, they will be able not only to gain access to the cultural heritages of the French-speaking communities but also to improve their work skills and scientific-technological knowhow.

National Bankruptcy Law Being Studied

BK3108152092 Hanoi VNA in English 1425 GMT 31 Aug 92

[Text] Hanoi VNA August 31—Vietnam is working on a bankruptcy law in a move to ensure better regulation of the budding market economy. Part of the move was a seminar held in Hanoi last week where Vietnamese experts taking part in drafting the law were able to learn from foreign colleagues how similar laws were being applied in the West.

The seminar, jointly sponsored by the Ministry of Justice, the Central Institute of Economic Management, the State Economic Arbitration and the Swedish International Development Authority (SIDA), was addressed by professors E. Heby, E. Palmer, V. Bostrom and R. Hoghlund from the law faculty of Umea University in Sweden, who dwelt at length on how bankruptcies would normally be handled by law in their countries and other parts of Europe. The Swedish professors and the Vietnamese participants also exchanged view on procedural matters and typical cases. Swedish Ambassador Mast Aberg spent much time at the seminar.

Do Muoi Speaks at Information Industry Seminar

BK0109105992 Hanoi NHAN DAN in Vietnamese 11 Jul 92 p 1, 3

[Speech by Communist Party of Vietnam General Secretary Do Muoi at a "recent" Week of Informatics seminar in Hanoi; date not given]

[Text] With our country's long-time concern for developing the informatics [tin hocj] sector, today I am very happy to visit you, comrades and friends, at this informatics forum. This is an opportunity for me to meet informatics workers of both sexes nationwide as well as overseas Vietnamese nationals returning from various countries to attend this Week-of-Informatics seminar. I also would like to extend my regards to the large contingent of Vietnamese informatics workers abroad who have for years offered their cooperation and assistance to informatics organizations back home and who, for one reason or another, cannot attend this seminar. I praise and welcome all foreign informatics specialists who have come to attend this seminar with enthusiasm.

The Vietnam Informatics Society has for years tried to regularly organize Weeks of Information—a session of scientific-technological activities both necessary and useful not only for scientists but also for the entire country. Those topical reports and those products presented at this seminar have introduced some of your comrades' deeds in informatics research and application. All these are initial yet encouraging and promising results. I warmly commend you for these achievements and take note of the endeavor of the society, of cadres in charge of informatics research and application, and of various state organs, sectors, and localities to contribute to the common efforts of the entire country to develop the informatics sector.

Our people are making efforts to build our country into a steadfast, modern, prosperous, and beautiful socialist nation. Our highest objective is to achieve independence for the fatherland, freedom for the people, and happiness for the compatriots.

To reach that highest objective, we should actively unlease our production force, exploit all our potential, and strive to develop socioeconomic activities. In this aim, our party and state always regard the scientific-technological revolution as a pivotal one. This has been affirmed in the resolutions of various party congresses, particularly the sixth and seventh party congresses. The Political Bureau has also issued a resolution substantiating our fundamental stance for achieving scientific, technological, and industrial development in our country. Our aim is to develop the intellectual capabilities of the entire nation in order to gradually surge forward to acquire and master all the findings of the scientific-technological revolution in the world and then creatively apply them in our country in its current specific situation.

As we know, the world is experiencing far-reaching changes and extraordinary progress due to some very important findings of the scientific revolution and modern industry. We should try harder to promptly obtain these findings in the service of the cause of national construction and defense. This responsibility rests with the entire party and the entire people, especially with the contingent of intellectuals and scientists. Among these new findings, those concerning informatics and automation have become essential to the present scientific-technological revolution. Informatics is a nascent scientific sector, a promising scientific sector of the future. I hope that you, comrades, will try harder to acquire and master this important scientific sector. It is predicted that the 21st century will be a century of information. Therefore, we should try in a gradual yet positive fashion to introduce informatics into life if our country and people are to catch up with contemporary civilization. The party has entrusted this heavy but glorious task to scientists and informatics specialists in our country.

A special character of informatics—also known as information technology—is that its scope of influence is very large. This is because not only does informatization [tin hocj hoas] help increase labor output in various areas of production such as agriculture and industry but it also effects other fields of activity such as the culture, education, etc, of society and mankind. This is easily understandable because information is needed everywhere. Wherever information facilities are available, there are demands to use them. The amount of urgent information in state administration and in socioeconomic organization and management is large and the application of informatics in these activities is therefore all the more necessary.

The revolution in information technology and informatization [tin hoc hoas]—which has become a global trend—serves as an essential driving force to stimulate mankind's overall growth toward a new civilization, namely the information-oriented civilization. Information technology helps keep us constantly and promptly informed of the fast-changing world. It also helps enrich the knowledge of our people and diversify their cultural-spiritual life. It is precisely due to its great importance and efficiency that all countries, both developed and developing ones, have actively stepped up the widespread application of informatics in a bid to build up their information technology, and in this they have scored remarkable achievements.

Over the years, we have exerted a great effort to develop the informatics sector and have scored some initial results. These results are, however, still small, given current requirements for national development. This is partly due to difficulties encountered by our country and to our inadequate attention to this issue. This issue should be given scrupulous attention by all the people whether they are directly or indirectly involved in informatics activities or are cadres in charge of state administration. We should not feel complacent with what we now have nor should we use poverty, privation, and difficulties as an excuse. In the past, we have done many seemingly insurmountable things successfully. Then, how to come up with a correct policy to carry out informatization and develop information technology in our country in order to help build a modern Vietnam despite the fact that we are now having both difficulties and advantages? From my perspective, an appropriate, correct, progressive, and effective policy for our informatization should be worked out by Vietnamese informatics workers themselves, both at home and abroad, and then presented to the state for decision and execution. From this forum, I affirm that we are determined to overcome all difficulties in bringing informatics into play in the service of the country's renovation undertaking. Only through the application of scientific findings and modern technology, including informatics, can we achieve our lofty revolutionary goal and ideals just as a scientist said: "Using electronic calculators and informatics constitutes a vital demand for the progress of the socialist society."

The renovation undertaking has been creating favorable environment for stepping up the application and development of informatics. At the same time, informatics

and information technology have become a component part of the socioeconomic structure built up in the renovation process. In its process of development, informatics has basically effected socioeconomic activities and duly contributed to improving the effectiveness of these activities.

The renovation undertaking in our country has made information a real and pressing demand in social activities, ranging from production to business, economic management, state administration, etc. To meet this demand, information should become a component part of production and an important source of material assets to be exploited for use to create material, cultural, and spiritual assets for society. By so doing in the market-oriented economic system, information in its capacity as a commodity will be smoothly disseminated. State administration will no longer be carried out through bureaucratic centralism and in a subjective fashion and will rely on information to reflect the situation accurately and adequately, thus enabling us to come up with profound analyses and necessary and correct decisions.

Renovation is therefore a precondition needed to spur the development of informatics in our country. At the same time, informatics and information industry will supply the state and society with effective tools to manage and run the country and will contribute duly to consolidating and speeding up the renovation process. The application of informatics is aimed at creating new values, new qualities, and new results for production, business, and cultural and social life. Therefore, we should try to make the information sector an increasingly important part of our economic structure and social life.

Along with applying informatics, it is necessary to build a computer industry in our country in a gradual and appropriate fashion. This industry will produce computer products and equipment and most importantly computer software which will be the intellectual labor product of the Vietnamese people. Naturally, as computer science is information and intellectual activity, managing and building the computer industry in our country requires new expertise, new knowledge, new abilities, and a new sense of responsibility. Intensifying training to improve the knowledge of cadres and people in all areas of work constitutes a prerequisite for the development of computer science. This is also to disseminate what computer science has brought to our society. Therefore, developing computer science and improving the intellectual level of the people—especially the younger generation—in general and their knowledge about computer science in particular to serve the renovation undertaking and meet the needs for national development at present as well as in the long run now constitute pressing issues. To achieve this aim, it is necessary to adopt an appropriate stance. We should regard the demand to develop computer science as a task not only of workers in certain professional sectors but also of all other sectors, echelons, and areas of work. This is the undertaking of the entire party and people. The role played by the state in that work as well as in other activities is, of course, very important.

First of all, the party and the state should have a correct policy capable of creating conditions for gradually developing computer science in our country, building and broadening a new area of trade and industrial work. It is necessary to introduce computer education in schools, trying to make computer science compulsory in various schools from elementary level to colleges and universities in order to improve the intellectual level of youths and students, and to open computer training courses for those adults who need to use computers in their professional or managerial activities. We should create a favorable environment for computer development and applications.

In computer science, it is necessary to advance from spontaneous, isolated, and limited applications to widespread use among various echelons, sectors, and areas of work. We should promptly establish a national-level informatics and computer industry network. Meanwhile, we should move toward linking our informatics and computer industry with the world's informatics and computer industry network.

Scientific organs and scientists should help the state in drawing up a strategy and a policy for computer development. Apart from coming up with a strategy and a policy, the state should directly invest in computerizing the state administration system, and build a national computer network for economic, social, financial, and banking operations. Thus, in the informatics sector, the state plays the role of both being a leader and development coordinator and also a most important customer.

Meanwhile, in the multisectoral commodity-based economy, production and business will unceasingly develop. From in-country production and circulation to import-export acitivities, the needs for joint ventures and for broadened informatics activities will be increasingly larger. The state should devise a promotional policy to encourage the entire society to participate in the development of computer science, both in applying the use of computers to production and business and developing computer industry establishments.

Along with firmly stepping up the teaching and dissemination of computer science, we should build a number of computer research establishments. First, we should strengthen existing computer research establishments with capital investment from the state or with other sources of financing. Broadening international cooperation and circulation, making full use of all sources of aid, and seeking more potential cooperation in production and business in the computer industry constitute a necessary and very important condition for developing computer science in our country and for correctly substantiating our party and state's policy that "It is Vietnam's desire to befriend all countries in the world community and struggle for peace and development." Specific attention should be paid to bringing into play the abundant force of talented Vietnamese informatics

workers overseas. It is necessary to strive to gradually make the informatics sector in our country a spearheading sector capable of reaching the heights of informatics and information technology.

With the profound understanding that developing computer science is an undertaking of the entire people, then every sector, every echelon, every establishment, and every one of us should regard this as its or his own task. We should introduce computer science into our sector, unit, or locality while helping develop computer science nationwide. The state should study the possibility of shaping up an appropriate, compact, qualified, and efficient computer science organ, for instance, a computer center for use to conduct scientific research, provide training, and build the informatics sector while serving as an advisory body to help the state draw up substantive policies, programs, and projects for the development of informatics and the computer industry in each given stage.

I wish you, comrades and friends, good health and creativity so you can make your active contributions to the country's renovation undertaking and to building and developing the informatics and computer industry in our country.